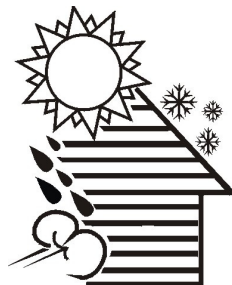


# Virginia Weatherization Assistance Program



## Operations Manual



*Weatherization  
Works*

**July 2010**

# Virginia Weatherization Assistance Program

## Operations Manual

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## **Introduction**

The Commonwealth of Virginia administers the Virginia Weatherization Assistance Program (WAP) through the Department of Housing and Community Development (DHCD). The WAP helps low-income families reduce their home heating and utility costs by weatherizing their homes and installing measures (products and materials) such as insulation and weatherstripping that will make their homes more energy efficient.

The U.S. Department of Energy (DOE) has the administrative authority to manage and promote the WAP regulations and funding. The Virginia WAP receives additional funds from the Virginia Department of Social Service through the Low Income Home Energy Assistance Program (LIHEAP). The U.S. Department of Health and Human Services has administrative authority to manage and promote the regulations and for LIHEAP. Both programs work together to fund weatherization for low-income households.

The goal of the program is to increase the energy efficiency of housing occupied by low-income persons and households and reduce their total residential energy expenditures.

This manual has been developed to provide guidance and technical information to subgrantees (local administrators) on how to operate the program.

## Chapter 1 – Eligibility

### Client Eligibility

Client eligibility requirements for the Weatherization Assistance Program (WAP) and the Low-Income Home Energy Assistance Program Weatherization Component (LIHEAP) are established by federal regulations issued by the U.S. Department of Energy and U.S. Department of Health and Human Services; and by policy determined by the Virginia Department of Housing and Community Development. Weatherization services may be received by any applicant who meets the income eligibility requirement established below:

1. A household whose annual income *does not exceed* the established poverty level or the State Median Income for the Commonwealth of Virginia as defined by current federal program guidelines.
2. A household with an occupant who has received cash assistance payments (SSI) under Title IV or XVI of the Social Security Act at anytime during the 12-month period preceding the determination of eligibility for weatherization assistance.
3. A household residing in a property which has not been previously weatherized (*see “Re-weatherization” addressed later in this chapter for more information*).

Income eligibility is based on the combined income of all household occupants **over** the age of 18 at the time of application. (Exceptions and further definitions of income are available in attachment one to this chapter). Subgrantees must re-certify income if more than 180 days have elapsed from the date of initial certification if audit of the unit has not commenced. If the client's income status has changed during that time period the client's eligibility status must be revised.

The client shall be identified as the resident (occupant) of a housing unit and may be either the property owner or a tenant. When the client is a tenant, the property owner must authorize in writing all weatherization work prior to the receipt of services (including property inspection and audit).

No client, or potential client, may be refused service or discriminated against due to ethnicity, age, familial status, gender, sexual orientation, religion, or disability. Discriminatory practices may result in the suspension and/or termination of the program contract.

## Ineligible Clients and Application Denial

Applicants who meet the income requirements may be ineligible for assistance based upon a range of additional factors including, but not limited to, the following:

1. A household member has health conditions that prohibit the installation of insulation or other necessary weatherization materials;
2. A household member is uncooperative, threatening, or abusive to the crew, subcontractors, inspectors, auditors, etc.;
3. Illegal activities in the house or on the premises.

For a non-US citizen to receive Weatherization services they must meet one or more of the criteria established by **8 CFR Part 104** (published 08/04/1998) and listed below:

1. The alien is granted asylum under section 208 of the Immigration and Nationality Act (the "Act");
2. The alien is a refugee admitted under section 207 of the Act;
3. The alien is paroled to the US under section 212 (d)(5) of the Act for at least one year;
4. Any alien whose deportation is being withheld under section 241 (b)(3) of the Act; or whose removal is being withheld under section 243 (h) of the Act;
5. The alien is granted conditional entry under section 203 (a) of the Act;
6. Any alien who is a Cuban/Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act (1980);
7. An alien, or child or parent thereof, who has been battered or subjected to extreme cruelty in the US and otherwise satisfies the Act; or
8. The requirements of 8 U.S.C. 1641(c).

Non-citizens who fail to meet one or more of these criteria, are not eligible to receive Weatherization services.

Applicants denied services for any reason must receive clear written notification that their application for assistance has been denied and the reasons for their denial. The notice of denial must be properly documented within the agency records. Agencies must have a written client appeals procedure that is clearly stated in the denial notice.

## Property Eligibility

An eligible property is one that has not received Weatherization assistance previously and is occupied by an income eligible household. (*See "Re-weatherization" for more information*).

Eligible property types may be single-family residences (1-4 units), multi-family residences (5 or more units), owner-occupied, or rental units.

Assistance to rental properties will require a financial contribution from the property owner that shall not be less than fifteen percent (15%) (Except ARRA Multi-Family Units) of the allowable average cost per unit. Financial contributions will not be required from property owners who are personally income eligible for Weatherization assistance.

### **Ineligible Properties**

Properties occupied by ineligible households are not eligible for weatherization.

Properties that may be ineligible for weatherization include, but are not limited to:

1. the building structure is not safe or structurally sound;
2. the sewage system has failed and requires correction prior to installation of weatherization measures;
3. other sanitary factors are present that prohibit the timely and efficient installation of weatherization measures;
4. completion of weatherization work would endanger the client or providers;
5. the property (house) has been condemned or slated for demolition
6. the presence of actionable levels of lead-based paint that cannot be mitigated by lead-safe weatherization; and
7. the presence of severe moisture problems that cause mold that cannot be corrected by installation of weatherization measures.
8. property is planned for relocation or sale
9. planned property rehabilitation that will degrade installed weatherization measures

**Re-weatherization:** Any dwelling weatherized after September 30, 1994, or any subsequent date as established in 10 CFR 440 subpart §440.18 as amended, is not eligible for weatherization. Subgrantees must report re-weatherized homes on their monthly report.

### **Prioritization**

Eligible clients receiving assistance must be prioritized based upon a written policy, which must be provided to DHCD upon request. Federal regulation establishes that priority assistance be given to vulnerable clients defined as:

- households with person(s) 60 years of age or older;
- households with person(s) with a disability(ies); or
- households with a child(ren) under the age of six.

Sub-grantees that choose to prioritize service delivery to vulnerable persons must ensure that non-prioritized clients do not remain on their waiting list for more than two years.

Assistance may be made available to clients on a first come, first-serve basis or based upon the completion of an applicant priority ranking system that incorporates the assessment of income and vulnerabilities, and provides additional criteria to ensure that clients can eventually receive services without remaining on a waiting list indefinitely.

### **Client Intake**

Sub-grantees must ensure that they conduct and maintain a client intake process that is well planned, consistently administered, and updated regularly to include annual changes in established income ceilings, program disclaimers, and timely and important revisions to the implementation guidelines.

An application for weatherization assistance is a formal request for federal grant funds. These requests, like any application for funds, must be signed by the applicant. Only the property owner can authorize weatherization work for a property.

Client eligibility is determined based upon information provided by the client during their intake process. The process may include:

1. an application
2. an interview
3. eligibility determination
4. verification of reported income **(Hard copy documents required)**

An application shall include:

1. name of the applicant
2. physical address, mailing address, and directions to the property to be assisted;
3. name and mailing address of the property owner if different from the occupant.
4. telephone number, cellphone number, work telephone number, e-mail address (if applicable), or some other reliable means of communication and contact for the occupant;
5. telephone number, cellphone number, work telephone number, or e-mail address (if applicable), or some other reliable means of communication and contact for the property owner;
6. names and ages of all occupants of the property to be assisted;
7. income of all occupants 18-years of age and older
8. age and condition of the of the property;
9. signatures authorizing verification of income, authorization to

disclose their information within the agency or with related agencies to complete their eligibility review. Hard copy documentation of income and ownership is required.

## **Chapter 1 Attachment 1 – Definition of Income**

Income is defined as the total annual cash receipts before taxes from all sources, with the exceptions noted below

### **Income includes:**

- Money, wages and salaries before any deductions
- Net receipts from non-farm or farm self-employment
  - Receipts from a person's own business after deductions for expenses
  - Receipts from an owned or rented farm after deductions for expenses
- Regular payments from:
  - Social Security
  - Unemployment compensation
  - Strike benefits from union funds
  - Worker's Compensation
  - Veteran's Payments
  - Training Stipends
  - Alimony
  - Military Family Allotments
  - Private pensions
  - Government employee pensions (includes military retirement pay)
  - Regular insurance or annuity payments
  - Dividends
  - Interest
  - Net rental income
  - Net royalties
  - Periodic receipts from estates or trusts
  - Net gambling or lottery winnings

### **Income does not include:**

- Capital gains
- Any assets drawn down as withdrawals from a bank
- The sale of property:



- House
- Car
- 
- One-time payments from a welfare agency to a family or person in temporary financial difficulty
- Tax refunds, gifts, loans
- Lump-sum inheritances
- One-time insurance payments
- Compensation for injury

**Income also excludes:**

- Non-cash benefits (such as):
  - Employer or union paid portion of health insurance or other employee fringe benefit
  - Food or housing received in lieu of wages
  - The value of food or fuel produced and consumed on farms
  - The imputed value of rent from owner occupied non-farm or farm housing
- Federal non-cash benefits programs (such as):
  - Medicare
  - Medicaid
  - Food Stamps
  - School lunches
  - Housing assistance
  - Combat zone pay to military
  - Child support payments
  - College scholarships

## Chapter 2 – Subgrantees

### **Subgrantees**

DHCD annually receives funds to administer the Department of Energy Weatherization Assistance Program (WAP) and the Department of Health and Human Services Low-Income Home Energy Assistance Program Weatherization Component (LIHEAP) and is the program grantee. DHCD may contract with non-profit organizations and/or local governments to provide weatherization services to the homes of income eligible households within defined geographic service areas (locality or localities). These entities are the program sub-grantees.

Sub-grantees will be selected to provide weatherization services based on responses to a Request for Proposals (RFP). Successful RFP respondents will receive contracts which carry a term of 1 year and must have and/or meet the following criteria:

1. Possess a Class A Contractor's License;
2. Have a key employee with a "Master Card" HVAC designation on staff or as a sub-contractor;
3. Experience in performance and application of weatherization activities or housing renovation;
4. Capacity (personnel and equipment) to weatherize homes and provide timely and effective services;
5. Active community involvement within their defined or intended service area;
6. A public or non-profit entity including Community Action Agencies (CAA);
7. Documentation of public comments received during a public hearing held in the (proposed) affected local area; and
8. Documentation of local government support or designation from the localities to be serviced recognizing the sub-grantee as the agency to administer weatherization services.

Sub-grantees may not contract the services of licensed contractors or sub-contractors whose business or corporate license has expired; that are debarred, suspended, or proposed for debarment; or whose license, business, or corporation has had a civil judgment rendered against them within the last three years for:

- a. commission of fraud;
- b. violation of federal or state anti-trust statutes;
- c. embezzlement, theft, forgery, bribery;
- d. falsification of records or making false statements;.
- e. receiving stolen property;
- f. charges or charges pending for any of the prior listed offenses;
- g. a public contract terminated for cause or default; or
- h. be unable to certify that any of the prior listed criteria has not been violated.

Sub-grantees must receive written satisfactory ratings on annual or periodic monitoring compliance reviews to remain eligible to receive contracts to implement the weatherization program within their service area.

## **Contract**

The contract specifies the sub-grantee's duties and responsibilities, is a binding agreement between the sub-grantee and DHCD, and is enforceable under the laws of the United States and the Commonwealth of Virginia. Its parts may be clarified by memorandums and other correspondence; however, the basic contract provisions cannot be changed except by an amendment executed by legal representatives of both parties.

## **Personnel**

Sub-grantees may maintain direct hire work crews (employees) or may hire sub-contractors to complete all or part of the grant activities.

DHCD requires that all sub-grantees adhere to all federal, state and local laws, rules and regulations regarding any hiring and retention of personnel. Legislated benefits accrued by the provider's employees are to be appropriately and legally administered. DHCD requires that any sub-grantee who sub-contracts their program activities will only do so with entities that meet the criteria listed above. Failure of the sub-grantee to comply with these requirements may result in the suspension and possible termination of the WAP contract. All program personnel are bound by the Codes of Conduct as stated in the Virginia Administrative Code.

## **Costs**

Costs associated with weatherization work crews, equipment, storage facilities, personnel and sub-contractors may be billed to the Program Operations or Program Support funds line item of the program budget. Costs associated with non-work crews, office supplies, office rents, etc., may be billed to the Administrative funds line item. Sub-grantees must remain consistent with their billing practices.

DHCD recognizes that each sub-grantee may maintain their workforce either by direct hire or through the use of sub-contractors, and does limit the training and technical assistance funding available for agencies that provide services through the use of sub-contractors.

## **Service Area**

The WAP is administered state-wide. All Virginia jurisdictions are eligible for service. Each Virginia locality is eligible for funding based on a formula which rates and ranks the number of heating degree days, the percentage of income-eligible households, and the number of square miles within that locality.

Sub-grantees may be non-profit or public entities that have been deemed eligible either by the local government and/or by DHCD to use the funds available for that locality to provide weatherization services. The sub-grantee commits to provide services to their respective localities based upon the amount of funds that are available. Once approved, the sub-grantee is required to provide service to their entire service area. Service is defined as conducting and completing outreach and intake work for the purpose of identifying eligible clients in need of home weatherization. The sub-grantee is deemed eligible based upon their responses to an RFP issued by DHCD.

### ***Renewals:***

All sub-grantees will be required to renew their eligibility to remain a weatherization service provider of weatherization when a new RFP is issued by DHCD. The applications for renewals may be for the current service area or for a revised service area. First time sub-grantees may be restricted to a probationary contract. Contracts and renewal contracts will be for a period of 1 year. All renewals will be subject to satisfactory, periodic compliance reviews.

### **Funding Cycle**

The DOE (Department of Energy) WAP has a 12 month funding cycle and operates according the fiscal cycle of the Commonwealth of Virginia (July 1 – June 30). The LIHEAP (Low-Income Home Energy Program) Weatherization Component has a 12 month funding cycle and operates according to the federal fiscal year (October 1 – September 30).

Sub-grantees who have submitted a successful response to an RFP will receive their contracts by July 1, and October 1, respective of the funding source, for each year in the term of their contract.

Key dates within the program funding and general activity cycle are listed below.

### **Program Calendar\*\***

<b>Date</b>	<b>Event</b>
January	Winter Interchange
January 15 <sup>th</sup>	DOE 2 <sup>nd</sup> Quarterly Activity Reports
February	State Plan Public Hearing
March	State Plan Application Due to DOE
April 15 <sup>th</sup>	DOE 3 <sup>rd</sup> Quarterly Activity Reports
June	Summer Interchange
June 30	<i>Current</i> DOE Contract Year Ends

July 1	New DOE Contract Year Begins
July 15 <sup>th</sup>	DOE 4 <sup>th</sup> Quarter Activity Reports & End Final PY Draw
August 30	LIHEAP Production Schedule Ends* <i>(subject to revision)</i>
September 15	Final LIHEAP Draw
September 30	<i>Current</i> LIHEAP Contract Year Ends
October 1	LIHEAP Contract Year Begins
October 15 <sup>th</sup>	DOE 1 <sup>st</sup> Quarter Report Due

*\*Leverage, T/TA, and Health & Safety Activity Reports are due at the end of each quarter along with the invoices.*

*\*\*Requests for payments or invoices are due on the 10<sup>th</sup> of each month.*

## **Code of Conduct**

Subgrantees shall maintain high standards of conduct in the implementation of all aspects of the weatherization program in the areas related to the award, administration, receipt and dispersal of contracts related to grant funds. Also of interest is the solicitation and eligibility determination of clients and assisted households. No one will participate in any part of these processes if there is a real or perceived conflict of interest.

No officer or employee of a subgrantee agency shall solicit or accept money or other thing of value for services performed within the scope of their official duties except the compensation, for expenses or other remuneration paid by the agency of which he is an officer or employee.

Sections 2.2-3103 through Sections 2.23-3115 outline the code of conduct that must be upheld by the grantee (DHCD) and by incorporation into this document requires the subgrantees to adhere to these codes.

Subgrantees may not provide services to employees, their relatives, or immediate family. Assistance may be provided by another subgrantee. All services including eligibility determination must be provided by the other subgrantee.

## Chapter 3 – Weatherization

Weatherization is the installation of materials and/or provision of services to a home that will increase energy efficiency, reduce fuel bills and help ensure the health and safety of the occupants. All weatherization program work in the Commonwealth of Virginia is done according to a list of activities that have been developed through an evaluation of various types of measures that have proven to be most effective in reducing heat loss, air infiltration, and the overall cost of home heating and cooling. The results of these evaluations were analyzed and matrixed into a standard work specification or “priority list” that reflects those work activities (measures) that repeatedly resulted in the highest ratio of savings to investment (the ratio of the dollar value of savings to the dollar value of materials and labor costs) when installed. This list is now referred to as the *Virginia Weatherization Installation Standards* or “the Standards.”

Weatherization may consist of one or more of the following:

1. Heating system inspections, repair, and replacement
2. First time installation of a heating system
3. Heating system modification to include the fuel supply, combustion, exhaust, and distribution systems
4. Air sealing (seal bypasses in stud and joist cavities, partition walls, plumbing and electrical chases, sill plate, etc.)
5. Duct repair, sealing, and insulation
6. Sidewall insulation
7. Attic insulation and venting
8. Mobile home belly board repair and insulation
9. Mobile home roof cavity insulation
10. Water heater insulation
11. Repair and replacement of broken and missing window glass
12. Compact fluorescent light bulbs
13. Repair or replacement of thermostat
14. Setback thermostats
15. Water flow reducers
16. Refrigerator replacements for efficiency

For a more detailed description of the *Standards* and what constitutes weatherization, see Chapter four (4).

### **Energy Audit/Estimation and Inspection**

The specific services or “measures” installed are based upon a diagnostic evaluation and inspection of the dwelling that detects the most significant heat loss and the highest potential for significant energy savings when addressed. Health and safety inspections are also performed to identify the presence of harmful conditions, such as dangerous wiring, carbon monoxide emissions, failed chimney liners, etc. The inspection results

must verify a need for assistance. The results of the inspection must be included in the client file as a part of the project's permanent record.

### **Energy Audit**

Virginia uses the *Standards* to ensure that each project receives the appropriate weatherization measures. The National Energy Audit Tool or "NEAT" or the Mobile Home Energy Audit or "MHEA" is used to ensure that all heating systems installed are properly sized. The result of this audit must be included in the client/project file.

### **Fuel Switching**

DOE does not permit the general practice of fuel switching when replacing heat systems, water heaters and appliances. DOE does allow the changing or converting from one fuel source to another on a limited, case-by-case basis only that **must be approved in writing by DHCD prior to installation.**

### **Unit Funding and Count**

Sub-grantees may weatherize homes with either DOE funds or LIHEAP funds. Sub-grantees may combine both DOE and LIHEAP funds to weatherize a home that would otherwise be too expensive to weatherize from one source of funding. When funds are combined, the unit may be counted for each funding source (*this is allowable because each funding source has a legitimate expectation to report how its funds have been expended*).

DOE requires that any unit that receives a minimum of \$1 of DOE resources be counted as a DOE assisted unit.

When funds are combined, care must be taken to ensure that the average DOE per unit cost is maintained relative to the amount of the contract.

### **Average Costs**

Except as adjusted by DOE and /or DHCD, the expenditure of funds for labor, weatherization materials, and related matters shall not exceed an average of \$6,500.00.

The amount of funds expended on each weatherized dwelling is calculated and set annually by DOE based on the annual Consumer Price Index. DOE stipulates that the program must maintain an average cost (not a maximum or minimum) per unit. It is understood that some units will cost more than others to weatherize. However, the average cost per unit can not exceed the current active guideline. Each agency is expected to maintain this average cost on a month to month basis.

When funds are combined, care must be taken to ensure that the average DOE per unit cost is maintained relative to the amount of the contract.

## **Unit Production**

Each subgrantee is required to weatherize as many units as possible subject to the availability of funding. The more units correctly weatherized, the greater the overall positive impact of the Virginia and national program. Unit production can be ensured when workers are trained; tools, equipment, and vehicles are in good working condition; materials are readily available for use; materials, tools and equipment are economically purchased; energy audits/estimations/final inspections are completed expeditiously; and work crews and work schedules are organized and well coordinated. Efficient subgrantee performance directly impacts the goals of the WAP.

## **Weatherization Practices and Resources**

The Virginia Weatherization *Standards* and the **Virginia Weatherization Field Guide** are the primary reference tools for how to weatherize homes. All subgrantee work crews and subcontractors are required to know and adhere to the work practices and guidelines set forth in these documents.

## **Materials**

All materials used for weatherization services are required to at least meet the materials standards as specified by **10 CFR 440**. Whenever possible, recycled materials must be used in conformance with **40 CFR 247-254**, **10 CFR 600.116**, and the **Resource Conservation and Recovery Act (RCRA)**, section 6002.

## **Ineligible Activities**

Only those activities specifically intended to provide energy efficiency improvements may be completed with program funds. Rehabilitation, lead abatement and/or interim controls, and mold remediation are specifically prohibited. WAP funds may not be expended to complete this type of work.

## **Miscellaneous Policies and Rules**

**Disaster Relief** – DOE issued Weatherization Program Notice 93-12 on July 28, 1993 addressing disaster relief. Upon request and approval by DOE, funds may be used for energy-related items, such as replacement water heaters, in affected homes. Any measure not currently listed in Appendix A of the program rule, or issued in other Program Notices, must be submitted as a part of any disaster relief plan for approval by DOE.

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# VIRGINIA WEATHERIZATION ASSISTANCE PROGRAM

## INSTALLATION STANDARDS

**MEASURES NOT SPECIFICALLY CITED IN THESE *INSTALLATION STANDARDS* OR ANY DEVIATION FROM THESE *STANDARDS* MUST FIRST BE APPROVED IN WRITING BY DHCD TECHNICAL MONITOR.**

### LEAD SAFE WORK REQUIREMENTS

#### BACKGROUND

Lead was added to paint as early as the 1800's before health risks were identified. In 1978, the Consumer Product Safety Commission banned the sale of lead-based paint for residential use. Lead-based paint may be found on any surface in the home - inside or outside. Lead is especially hazardous to children and pregnant women. It causes damage to the brain and central nervous system and is irreversible.

#### RULE REQUIREMENTS

Lead Safe Work Practices (LSWP) and Lead Renovation Repair & Painting (RRP) are addressed by DOE in WPN 10-1 section 5.13, WPN 09-6, WPN 08-6 and WPN 02-6. EPA 40 CFR part 745 is the basis for these requirements.

#### VA WAP LEAD SAFE WORK REQUIREMENTS

LSWP & RRP are a group of techniques that reduce the amount of dust produced by weatherization activities. When used correctly, they make the work area safe for workers and the home safe for residents when weatherization is complete.

1. All pre-1978 single-family dwellings and all pre-1978 mobile homes that have been painted must be tested for lead with an EPA approved test kit.
2. Provide *Renovate Right* pamphlet to occupants before work begins.
3. Obtain signature on Pre-Renovation form before work begins.
4. Provide copy of Pre-Renovation form to occupant within 30 days after work begins. A copy of Pre-Renovation must be on site during weatherization activities.
5. Dwelling work areas meeting the following conditions are exempt from LSWP:

- a. Interior work disturbing less than 6 sq ft per room of painted surface. Cleanup and cleaning verification are also not required, unless the painted surface involves windows and/or doors.
  - b. Exterior work disturbing less than 20 sq ft per side of painted surface. Cleanup and cleaning verification are also not required, unless the painted surface involves windows and/or doors.
6. Use LSWP & RRP during weatherization (follow EPA 40 CFR 745.85 attached).
7. Recordkeeping (follow EPA 40 CFR 745.86 attached).
8. For dwellings containing lead, Certified Renovator must complete and sign Certified Renovator compliance form (attached) and maintain in client file.

## **CERTIFICATIONS**

1. Each agency must be approved by EPA as a certified firm and copies of the certificate must be kept in every work vehicle.
2. Each agency must have at least one Certified Renovator on staff and copy of certificate must be kept in every vehicle.
3. All crew workers, including all Certified Renovators, must have a current LSWP training certificate. All crew workers must be trained by a Certified Renovator and documentation of training must be kept in every work vehicle.

## ***EPA 40 PART 745—LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES***

### ***§ 745.85 Work practice standards.***

(a) *Standards for renovation activities* . Renovations must be performed by certified firms using certified renovators as directed in §745.89. The responsibilities of certified firms are set forth in §745.89(d) and the responsibilities of certified renovators are set forth in §745.90(b).

(1) *Occupant protection* . Firms must post signs clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area. To the extent practicable, these signs must be in the primary language of the occupants. These signs must be posted before beginning the renovation and must remain in place and readable until the renovation and the post-renovation cleaning verification have been completed. If warning signs have been posted in accordance with 24 CFR 35.1345(b)(2) or 29 CFR 1926.62(m), additional signs are not required by this section.

(2) *Containing the work area* . Before beginning the renovation, the firm must isolate the work area so that no dust or debris leaves the work area while the renovation is being performed. In addition, the firm must maintain the integrity of the containment by ensuring that any plastic or other impermeable materials are not torn or displaced, and taking any other steps necessary to ensure that no dust or debris leaves the work area while the renovation is being performed. The firm must also ensure that containment is installed in such a manner that it does not interfere with occupant and worker egress in an emergency.

(i) *Interior renovations* . The firm must:

(A) Remove all objects from the work area, including furniture, rugs, and window coverings, or cover them with plastic sheeting or other impermeable material with all seams and edges taped or otherwise sealed.

(B) Close and cover all ducts opening in the work area with taped-down plastic sheeting or other impermeable material.

(C) Close windows and doors in the work area. Doors must be covered with plastic sheeting or other impermeable material. Doors used as an entrance to the work area must be covered with plastic sheeting or other impermeable material in a manner that allows workers to pass through while confining dust and debris to the work area.

(D) Cover the floor surface, including installed carpet, with taped-down plastic sheeting or other impermeable material in the work area 6 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater.

(E) Use precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris before leaving the work area.

(ii) *Exterior renovations* . The firm must:

(A) Close all doors and windows within 20 feet of the renovation. On multi-story buildings, close all doors and windows within 20 feet of the renovation on the same floor as the renovation, and close all doors and windows on all floors below that are the same horizontal distance from the renovation.

(B) Ensure that doors within the work area that will be used while the job is being performed are covered with plastic sheeting or other impermeable material in a manner that allows workers to pass through while confining dust and debris to the work area.

(C) Cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering.

(D) In certain situations, the renovation firm must take extra precautions in containing the work area to ensure that dust and debris from the renovation does not contaminate other buildings or other areas of the property or migrate to adjacent properties.

(3) *Prohibited and restricted practices*. The work practices listed below shall be prohibited or restricted during a renovation as follows:

(i) Open-flame burning or torching of lead-based paint is prohibited.

(ii) The use of machines that remove lead-based paint through high speed operation such as sanding, grinding, power planing, needle gun, abrasive blasting, or sandblasting, is prohibited unless such machines are used with HEPA exhaust control.

(iii) Operating a heat gun on lead-based paint is permitted only at temperatures below 1100 degrees Fahrenheit.

(4) *Waste from renovations* —(i) Waste from renovation activities must be contained to prevent releases of dust and debris before the waste is removed from the work area for storage or disposal. If a chute is used to remove waste from the work area, it must be covered.

(ii) At the conclusion of each work day and at the conclusion of the renovation, waste that has been collected from renovation activities must be stored under containment, in an enclosure, or behind a barrier that prevents release of dust and debris out of the work area and prevents access to dust and debris.

(iii) When the firm transports waste from renovation activities, the firm must contain the waste to prevent release of dust and debris.

(5) *Cleaning the work area* . After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains.

(i) *Interior and exterior renovations* . The firm must:

(A) Collect all paint chips and debris and, without dispersing any of it, seal this material in a heavy-duty bag.

(B) Remove the protective sheeting. Mist the sheeting before folding it, fold the dirty side inward, and either tape shut to seal or seal in heavy-duty bags. Sheeting used to isolate contaminated rooms from non-contaminated rooms must remain in place until after the cleaning and removal of other sheeting. Dispose of the sheeting as waste.

(ii) *Additional cleaning for interior renovations* . The firm must clean all objects and surfaces in the work area and within 2 feet of the work area in the following manner, cleaning from higher to lower:

(A) *Walls* . Clean walls starting at the ceiling and working down to the floor by either vacuuming with a HEPA vacuum or wiping with a damp cloth.

(B) *Remaining surfaces* . Thoroughly vacuum all remaining surfaces and objects in the work area, including furniture and fixtures, with a HEPA vacuum. The HEPA vacuum must be equipped with a beater bar when vacuuming carpets and rugs.

(C) Wipe all remaining surfaces and objects in the work area, except for carpeted or upholstered surfaces, with a damp cloth. Mop uncarpeted floors thoroughly, using a mopping method that keeps the wash water separate from the rinse water, such as the 2-bucket mopping method, or using a wet mopping system.

(b) *Standards for post-renovation cleaning verification* —(1) *Interiors* . (i) A certified renovator must perform a visual inspection to determine whether dust, debris or residue is still present. If dust, debris or residue is present, these conditions must be removed by re-cleaning and another visual inspection must be performed.

(ii) After a successful visual inspection, a certified renovator must:

(A) Verify that each windowsill in the work area has been adequately cleaned, using the following procedure.

( 1 ) Wipe the windowsill with a wet disposable cleaning cloth that is damp to the touch. If the cloth matches or is lighter than the cleaning verification card, the windowsill has been adequately cleaned.

( 2 ) If the cloth does not match and is darker than the cleaning verification card, re-clean the windowsill as directed in paragraphs (a)(5)(ii)(B) and (a)(5)(ii)(C) of this section, then either use a new cloth or fold the used

cloth in such a way that an unused surface is exposed, and wipe the surface again. If the cloth matches or is lighter than the cleaning verification card, that windowsill has been adequately cleaned.

( 3 ) If the cloth does not match and is darker than the cleaning verification card, wait for 1 hour or until the surface has dried completely, whichever is longer.

( 4 ) After waiting for the windowsill to dry, wipe the windowsill with a dry disposable cleaning cloth. After this wipe, the windowsill has been adequately cleaned.

(B) Wipe uncarpeted floors and countertops within the work area with a wet disposable cleaning cloth. Floors must be wiped using an application device with a long handle and a head to which the cloth is attached. The cloth must remain damp at all times while it is being used to wipe the surface for post-renovation cleaning verification. If the surface within the work area is greater than 40 square feet, the surface within the work area must be divided into roughly equal sections that are each less than 40 square feet. Wipe each such section separately with a new wet disposable cleaning cloth. If the cloth used to wipe each section of the surface within the work area matches the cleaning verification card, the surface has been adequately cleaned.

( 1 ) If the cloth used to wipe a particular surface section does not match the cleaning verification card, re-clean that section of the surface as directed in paragraphs (a)(5)(ii)(B) and (a)(5)(ii)(C) of this section, then use a new wet disposable cleaning cloth to wipe that section again. If the cloth matches the cleaning verification card, that section of the surface has been adequately cleaned.

( 2 ) If the cloth used to wipe a particular surface section does not match the cleaning verification card after the surface has been re-cleaned, wait for 1 hour or until the entire surface within the work area has dried completely, whichever is longer.

( 3 ) After waiting for the entire surface within the work area to dry, wipe each section of the surface that has not yet achieved post-renovation cleaning verification with a dry disposable cleaning cloth. After this wipe, that section of the surface has been adequately cleaned.

(iii) When the work area passes the post-renovation cleaning verification, remove the warning signs.

(2) *Exteriors* . A certified renovator must perform a visual inspection to determine whether dust, debris or residue is still present on surfaces in and below the work area, including windowsills and the ground. If dust, debris or residue is present, these conditions must be eliminated and another visual inspection must be performed. When the area passes the visual inspection, remove the warning signs.

(c) *Optional dust clearance testing* . Cleaning verification need not be performed if the contract between the renovation firm and the person contracting for the renovation or another Federal, State, Territorial, Tribal, or local law or regulation requires:

(1) The renovation firm to perform dust clearance sampling at the conclusion of a renovation covered by this subpart.

(2) The dust clearance samples are required to be collected by a certified inspector, risk assessor or dust sampling technician.

(3) The renovation firm is required to re-clean the work area until the dust clearance sample results are below the clearance standards in §745.227(e)(8) or any applicable State, Territorial, Tribal, or local standard.

(d) *Activities conducted after post-renovation cleaning verification* . Activities that do not disturb paint, such as applying paint to walls that have already been prepared, are not regulated by this subpart if they are conducted after post-renovation cleaning verification has been performed.

[73 FR 21761, Apr. 22, 2008]

## **§ 745.86 Recordkeeping and reporting requirements.**

(a) Firms performing renovations must retain and, if requested, make available to EPA all records necessary to demonstrate compliance with this subpart for a period of 3 years following completion of the renovation. This 3-year retention requirement does not supersede longer obligations required by other provisions for retaining the same documentation, including any applicable State or Tribal laws or regulations.

(b) Records that must be retained pursuant to paragraph (a) of this section shall include (where applicable):

(1) Reports certifying that a determination had been made by an inspector (certified pursuant to either Federal regulations at §745.226 or an EPA-authorized State or Tribal certification program) that lead-based paint is not present on the components affected by the renovation, as described in §745.82(b)(1).

(2) Signed and dated acknowledgments of receipt as described in §745.84(a)(1)(i), (a)(2)(i), (b)(1)(i), (c)(1)(i)(A), and (c)(1)(ii)(A).

(3) Certifications of attempted delivery as described in §745.84(a)(2)(i) and (c)(1)(ii)(A).

(4) Certificates of mailing as described in §745.84(a)(1)(ii), (a)(2)(ii), (b)(1)(ii), (c)(1)(i)(B), and (c)(1)(ii)(B).

(5) Records of notification activities performed regarding common area renovations, as described in §745.84(b)(3) and (b)(4), and renovations in child-occupied facilities, as described in §745.84(c)(2).

(6) Any signed and dated statements received from owner-occupants documenting that the requirements of §745.85 do not apply. These statements must include a declaration that the renovation will occur in the owner's residence, a declaration that no children under age 6 reside there, a declaration that no pregnant woman resides there, a declaration that the housing is not a child-occupied facility, the address of the unit undergoing renovation, the owner's name, an acknowledgment by the owner that the work practices to be used during the renovation will not necessarily include all of the lead-safe work practices contained in EPA's renovation, repair, and painting rule, the signature of the owner, and the date of signature. These statements must be written in the same language as the text of the renovation contract, if any.

(7) Documentation of compliance with the requirements of §745.85, including documentation that a certified renovator was assigned to the project, that the certified renovator provided on-the-job training for workers used on the project, that the certified renovator performed or directed workers who performed all of the tasks described in §745.85(a), and that the certified renovator performed the post-renovation cleaning verification described in §745.85(b). If the renovation firm was unable to comply with all of the requirements of this rule due to an emergency as defined in §745.82, the firm must document the nature of the emergency and the provisions of the rule that were not followed. This documentation must include a copy of the certified renovator's training certificate, and a certification by the certified renovator assigned to the project that:

(i) Training was provided to workers (topics must be identified for each worker).

(ii) Warning signs were posted at the entrances to the work area.

(iii) If test kits were used, that the specified brand of kits was used at the specified locations and that the results were as specified.

(iv) The work area was contained by:

(A) Removing or covering all objects in the work area (interiors).

(B) Closing and covering all HVAC ducts in the work area (interiors).

(C) Closing all windows in the work area (interiors) or closing all windows in and within 20 feet of the work area (exteriors).

(D) Closing and sealing all doors in the work area (interiors) or closing and sealing all doors in and within 20 feet of the work area (exteriors).

(E) Covering doors in the work area that were being used to allow passage but prevent spread of dust.

(F) Covering the floor surface, including installed carpet, with taped-down plastic sheeting or other impermeable material in the work area 6 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater (interiors) or covering the ground with plastic sheeting or other disposable impermeable material anchored to the building extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering, weighted down by heavy objects (exteriors).

(G) Installing (if necessary) vertical containment to prevent migration of dust and debris to adjacent property (exteriors).

(v) Waste was contained on-site and while being transported off-site.

(vi) The work area was properly cleaned after the renovation by:

(A) Picking up all chips and debris, misting protective sheeting, folding it dirty side inward, and taping it for removal.

(B) Cleaning the work area surfaces and objects using a HEPA vacuum and/or wet cloths or mops (interiors).

(vii) The certified renovator performed the post-renovation cleaning verification (the results of which must be briefly described, including the number of wet and dry cloths used).

(c) When test kits are used, the renovation firm must, within 30 days of the completion of the renovation, provide identifying information as to the manufacturer and model of the test kits used, a description of the components that were tested including their locations, and the test kit results to the person who contracted for the renovation.

(d) If dust clearance sampling is performed in lieu of cleaning verification as permitted by §745.85(c), the renovation firm must provide, within 30 days of the completion of the renovation, a copy of the dust sampling report to the person who contracted for the renovation.

## **BLOWER DOOR STANDARDS**

Follow the procedures and closure targets for using the blower door to address air leakage on pgs 173-177 of the Weatherization Field Guide. A pre-weatherization and a post-weatherization blower door test must be performed on each house. The test readings must be documented on the job report.

Prior approval from DHCD will be necessary for a job to be accepted without a blower door pre-test and post-test for any reason.

Air leakage must be diagnosed by using the blower door, or if the exception applies, then a visual diagnosis must be used. Once the pre-test has been taken, then the closure target must be determined.

THE POST-TEST SHOULD FALL AT OR BELOW THE CLOSURE TARGET. If a submitted job does not meet the closure target, explanation must be provided on the job report, all priority measures must be performed; the job will be accepted, reimbursed, and targeted for monitoring.

IF THE BLOWER DOOR READING FALLS BELOW THE MVR, THEN A HOUSE SPECIFIC MVR MUST BE DONE (PG 223 OF WEATHERIZATION FIELD GUIDE). When the reading is below the MVR, one exhaust fan (at a minimum) must be present with a “smart” timer to ensure the MVR requirements are met. Installed exhaust fans must have a noise rating of one sone or less. The actual cfm of all exhaust fans must be measured and must exhaust a minimum of 30 cfm. DOCUMENTATION OF EXHAUST FAN TESTS MUST BE INCLUDED IN THE CLIENT FILE.



## **SINGLE FAMILY DWELLINGS**

ALL OF THE FOLLOWING APPLICABLE MEASURES MUST BE INSTALLED WITH THE EXCEPTIONS BELOW.

- I. INSPECT HEATING/COOLING EQUIPMENT AND REPAIR AS NECESSARY (to include duct diagnostics and sealing).**
- II. SEAL MAJOR AIR LEAKS AND BYPASSES.**
- III. INSULATE SIDEWALLS.**
- IV. INSULATE AND VENT ATTIC.**
- V. INSULATE DUCTS/HEATING PIPES.**
- VI. INSULATE WATER HEATER.**

### **I. INSPECT HEATING/COOLING SYSTEM AND REPAIR AS NECESSARY**

#### **A. INSPECT HEATING SYSTEM FOR SAFETY PROBLEMS.**

A safety inspection involves both a visual inspection and test procedures designed to verify that any operational heating unit is burning fuel and exhausting flue gases in a safe manner. Refer to the Virginia Heating Systems Training Manual for inspection procedures. Refer also to DOE Program Guidance on space heaters, WPN 08-4, dated March 3, 2008.

All operational combustion appliances shall be included in the safety inspection. These include oil and gas furnaces, wood and coal stoves, boilers, oil and gas space heaters, wood and gas cook stoves, gas dryers and gas and oil water heaters. EXCEPTION: Wood and lump coal units where no fuel is available, or during the hot season, need only be visually checked for the following when applicable: heat exchanger leakage and corrosion, unsafe or improper wiring, venting, and clearances from combustibles.

When problems need to be corrected before proceeding with other work, the standards will explicitly state that requirement. Where remedial work is not required, only written documentation must be provided.

1. Inspect the fuel supply

- a. PROPANE, NATURAL GAS: If gas leakage is detected, verify with bubble test, inform the occupant and leave the dwelling. Shut off the supply valve and have the occupant notify the fuel supplier. The problem must be corrected before the heating system inspection is continued and before any other weatherization is performed.
- b. FUEL OIL: Any fuel leak should be corrected prior to performing weatherization work. In some fuel oil systems, oil can build up in the combustion chamber due to constant pushing of the reset button. The combustion chamber must be checked prior to firing the heating unit to determine whether a build-up of fuel has occurred.
- c. OIL TANK: Tanks must be leak-free and installed as required by NFPA 31. Leaky tanks must be replaced, but no underground tanks may be installed.

2. Inspect the power supply.

The inspector must determine whether the condition of the electrical power supply is adequate for the existing or new heating system. Determine that wiring is safe and properly fused. Check to see that wiring is not in contact with hot surfaces of the heating unit.

The heating unit may be on a separate electrical circuit. An extension cord should not be used to supply power to the unit. The condition of the electrical power supply must be documented.

3. Inspect Combustion Air Supply

Adequate air shall be available to the heating system for combustion. Refer to NFPA code unconfined and confined section for proper calculation.

4. Conduct CAZ and Worst Case Draft Test

- a. Draft must be measured under Worst Case Combustion Appliance Zone (CAZ) conditions and determined to be acceptable in order to perform

weatherization measures. Refer to the Virginia Weatherization Field Guide for procedures including probe placement and acceptable readings (pages 83, 96 – 99) A draft reading of .01 WC (or PMI) is acceptable for a mobile home. This does not preclude the need to conduct a thorough examination of the venting system.

- b. When indoor air is used for combustion, depressurization in this zone shall be no greater than negative five (-5) Pascals.

When appliance is direct vent or sealed combustion, depressurization in this zone shall be no greater than negative ten (-10) Pascals.

- c. The CAZ and Worst Case Draft Test must be repeated after weatherization work is completed. If the reading does not fall within the acceptable range, the problem must be corrected prior to submitting the job for completion.

## 5. Carbon Monoxide Testing

Test for the presence of carbon monoxide (CO) in all combustible appliances (Field Guide pgs. 16-18, 80-83, 86-88; also Heating Systems Training Manual pgs 12-14). There must be no more than 100 parts per million (ppm) in flue gases and gas ovens. There must be no more than 25 parts per million (ppm) in gas range burners. Excessive CO levels must be corrected before any weatherization work can be performed.

Test for the presence of carbon monoxide in the living area. There must be no more than 9-ppm carbon monoxide in the living area. The presence of CO in the living area is a life-threatening emergency situation. If possible, determine the source of the CO. The client must be informed of the risk and advised not to use the appliance until the problem is corrected. This problem must be corrected before any weatherization can be performed.

The test for the presence of carbon monoxide in the flue gases and in the living area must be repeated after weatherization work is completed. If acceptable levels are exceeded, the problem must be corrected before submitting the job for completion.

Carbon monoxide detectors must be installed in all dwellings and must be UL rated. CO detectors may be "plug-in," hardwired, or battery operated. If plug-in or hardwired, the detectors must have a battery back-up. If battery operated, at minimum a 5-year battery must be installed with detector replacement date on

device. Location within the dwelling should be according to manufacturers' recommendation.

#### 6. Inspect the Heat Exchanger

Heat exchanger must be inspected for cracks or holes. The inspector must judge whether the condition of the heat exchanger is hazardous enough to prohibit further weatherization work on a house. The condition of the heat exchanger must be documented.

In the case of wood and coal stoves, the stove itself is a heat exchanger. Check for cracks and holes that may allow sparks, combustion gases, or smoke to enter the living area.

#### 7. Inspect Vent System

Inspect the entire vent system, including the chimney, to determine whether any sections of the vent are disconnected, loose, leaky, extremely corroded, or missing. The inspector must judge whether the vent system is hazardous enough to prohibit further weatherization work on a house. The condition of the vent system must be documented.

Vent connectors should be properly connected. Single-wall pipe must not pass through combustible materials and should not be used outside or in unconditioned areas. Vent connectors exhausted into a lined or an unlined chimney should be checked for proper draft, obstructions, proper maintenance, and the exhausting of flue gases into the living area. Vent connectors must have at least 1/4" rise for every foot of horizontal run, must meet code requirements, and should have the least number of turns needed to reach the main vent.

When two appliances on the same floor share a common main vent, the appliance with the lower BTU input must be vented above the higher BTU appliance. The size of the common main vent must be large enough to carry the BTU input of both appliances.

Venting requirements are dependent on the type of fuel and type of chimney used. Chimney liners are required for gas, coal and wood fuels. Refer to page 107 of the Weatherization Field Guide for chimney height requirements.

#### 8. Clearance from Combustibles

The inspector must judge whether a heating unit has sufficient clearance from combustible surfaces including walls, ceilings, floors, and framing materials.

The inspector should also check for stacks of newspapers, rags, oil, gasoline cans, and other combustibles which may pose a fire hazard. Any problems which are deemed hazardous must be corrected before weatherization work is performed.

9. Safety Controls

The inspector must judge whether the condition of the safety controls poses a safety hazard. Do a visual inspection on these controls. Refer to a private contractor if in doubt due to possible risk involved in manual activation of some controls. Any problems which are deemed hazardous should be documented and corrected before weatherization work is performed.

10. Unvented Space Heaters

Refer to the DOE Program Guidance on space heaters, WPN 08-4, dated March 3, 2008.

If an unvented space heater (for example, a portable kerosene heater) is the only source of heat, weatherization work must not be performed unless a safe heating system is installed. An information sheet should be provided which explains the hazards of unvented space heater use.

If an unvented space heater is used as a secondary heat source, the house may be weatherized. However, the client must be provided an information sheet which explains the hazards of unvented space heater use.

11. Replacing Heating Systems

Heating systems may be replaced as the first priority using the criteria below. Heating system replacement for efficiency is an optional measure (please see Optional Measures section). A NEAT/MHEA audit must be used to determine correct sizing for the replacement unit, taking into consideration weatherization measures performed on the home. A copy of the NEAT/MHEA audit must be maintained in the client file with documented reason for replacement. Care must also be taken to ensure that the flue/vent is properly sized for the new system. **Prior written approval from DHCD is required to switch fuels.** When installing new heating systems, ensure that the return duct and grille are properly sized and that the manufacturer's start-up procedures are followed for fan speed, static pressure, etc.,.

- a. Where any unvented space heater is the only source of heat.
- b. Where no operable or safe heating system exists.

- c. Where an unacceptable level of carbon monoxide is being created by the heating system and cannot be corrected.

## 12. Smoke Detectors

Smoke detectors must be installed in each dwelling. Smoke detectors must be UL rated and must be either battery-operated or hardwired. If battery-operated, a 5-year battery must be installed. Detectors must be installed in the following locations:

- a. In each sleeping room.
- b. Outside each separate sleeping area in the immediate vicinity of the bedrooms.
- c. On each additional story of the dwelling, including basements but not including crawl spaces and uninhabitable attics.

## B. IMPROVE EFFICIENCY OF FORCED AIR HEATING DISTRIBUTION SYSTEMS

1. Seal plenum, duct and register leaks with mastic. All supply and return registers must have a maximum pressure pan reading of 1 pascal.
2. Provide pressure relief as deemed necessary to address safety comfort and efficiency.
3. When there is an existing forced air distribution system, filter(s) must be installed (if missing) or replaced, and a (6) month supply of appropriately sized filters for each filter location must be provided to the client. Weatherization personnel must teach the client how to change the filter. If a permanent filter is present, the client must be taught to remove, clean and replace the filter. Return grills may be replaced with filter grills for better client accessibility.
4. Clean out squirrel cage blower, coils, inside air handler cabinet, and ducts.
5. Check for appropriately sized ducts, especially returns and return grilles.
6. Conduct heat rise test on all forced air systems.

## C. IMPROVE EFFICIENCY OF WINDOW AIR CONDITIONERS.

1. Clean or replace air conditioner filter. The client must be taught how to clean filter by Weatherization personnel.
2. Clean air conditioner cooling fins.
3. Check for proper installation.

## **II. SEAL MAJOR AIR LEAKS AND BYPASSES INCLUDING INSULATING SIDEWALLS.**

Look for indoor air quality problems (e.g. signs of condensation on the inside of the dwelling) which must be addressed prior to performing air sealing measures. These problems should be diagnosed and addressed at the source.

Use the blower door to diagnose air leakage.

### **A. PREVENT HEAT LOSS WHICH RESULTS FROM AIR MOVEMENT BETWEEN THE CONDITIONED AND UNCONDITIONED SPACES**

In addition to the following requirements, ventilated attics must have a post-test zonal pressure of at least 45 Pascals with reference to the house. (Note: If an attic is unventilated, and neither insulation nor ventilation will be added, do not ventilate for the sole purpose of obtaining a zonal pressure.) A visual inspection must be performed in addition to attaining the zonal pressure required above.

1. Seal bypasses in stud cavities and joist cavities to stop air movement.
2. Seal partition walls at top and bottom to stop air movement.
3. Seal chimney, plumbing, and electrical chases at top and bottom to stop air movement.
4. Seal openings at the sill plate/band joist to stop air movement.
5. Replace missing or broken glass, missing windows, missing doors.
6. Seal holes in ceilings, walls and floors which communicate directly with unconditioned spaces. Drywall repair must be finished to “ready-to-paint” state. When floor repair is performed and floor covering has to be removed, floor covering, excluding carpet, may be replaced.
7. Seal non-operational flue openings and fireplaces
8. Construct a removable door for fireplaces without an operable damper and are used occasionally.
9. Check to insure dryer vents are vented to outside, are non-combustible, clean and have no loops in vent hose. Dryer vents must not be connected

with sheet-metal screws or fastening means which extend into the duct.

10. Seal or damper dryer vents, kitchen exhaust fans, utility penetrations, etc.

11. All kitchen and bath fans currently venting into the attic must be vented to the outdoors through roof fittings. Fans without operating backdraft dampers must be repaired, equipped with back draft dampers, or the fan must be replaced. Check new fans for proper damper operation and measure air flow to be certain the fan is exhausting.

12. All exhaust fans must be repaired or replaced when non-operable. When replaced, fans must be vented to the outdoors, must have noise rating of one sone or lower, and must exhaust at least 30 cfm as measured. Documentation of fan cfm measurement must be maintained in the client file.

13. If there is a working re-circulation fan it may be replaced with one that vents outdoors and must comply with Article 12 above.

14. All gas ranges must have an exhaust fan vented to the outdoors that complies with Article 12 above.

15. Any kitchen range vents that are repaired or replaced must be vented with rigid pipe.

16. Permanently installed window air conditioners must be permanently air sealed and a cover must be installed or left with the client. Tape is not allowed.

#### **B. INSTALL VAPOR BARRIER**

To control moisture migration into the conditioned space, a continuous vapor barrier with a minimum thickness of 6 mil must be installed in enclosed crawlspaces. Joints of the vapor barrier must overlap by 6 inches. Vapor barriers must be secured at the foundation walls. When openings are cut, vapor barrier must be secured tightly around penetrations (examples – piers, plumbing lines, fuel lines, etc).

#### **C. INSULATE SIDEWALLS**



(Reference Weatherization FIELD GUIDE, pgs 66-72.)

- 1.. Fill sidewalls to capacity using the dense-pack method to a minimum density of 3.5 pounds per cubic foot. Anything less than a dense pack should be documented, ex. Weak walls that are packed as tight as possible.
2. Only cellulose insulation shall be used, except that blown fiberglass may be used in a stud cavity adjacent to a chimney or other combustible.
3. All walls between conditioned and unconditioned areas must be insulated.
4. Sidewall insulation must be installed by either removing exterior siding or by drilling holes from the interior of the house.
5. Where incomplete sidewall insulation exists (some walls are insulated but some are not), insulation will be added to provide complete sidewall coverage. The local agency must insure that all exterior walls have complete sidewall coverage.
6. The following exceptions will be allowed, but must be documented, and the burden of proof will lie with the local WAP provider:
  1. Existing sidewall insulation.
  2. No wall cavity.
  3. Knob and tube wiring present in wall cavity, and testing of the wiring indicates unsafe wiring exists and there are insufficient funds available to replace the wiring.
  4. Wall(s) too weak to withstand pressure of sidewall insulation.
  5. Existing moisture problems which cannot be remedied.

### III. INSULATE AND VENT ATTIC

- A. Insulation will be installed in attic areas located directly above heated areas to R-38. Reasons for not insulating to R-38 must be documented in the client file.
- B. A three (3) inch minimum clearance from insulation or other combustible materials must be maintained with permanent non-combustible blocking material around all chimneys and flues. A three (3) inch minimum clearance from cellulose and paper backed fiberglass insulation must be maintained with permanent non-combustible blocking material around recessed light fixtures, transformers, furnaces, and any other heat producing device. Insulation may not cover these devices unless rated for insulation coverage. Chimney chases must be sealed with non-combustible material and high temperature caulk.
- C. Permanent blocking will be installed around attic scuttles so as to restrain insulation from falling through these openings.

The attic side of trap doors, scuttles, and pull down staircases must be insulated with a minimum of R-38 fiberglass batt or some other suitable insulation. Attic openings for pull-down stairs that extend into the attic beyond the opening must be sealed and insulated from the house-side.

Weather-strip the trap door or attic scuttle..

- D. Markers indicating the thickness of blown insulation must be installed at least one for every 300 sqft throughout the attic space and must be visible above insulation.
- E. Weather strip knee wall access doors and insulate to minimum R-13.  
  
Attic side of knee walls must be air sealed and insulated to minimum R-13.
- F. Circulation of air through soffit vents must be ensured through the use of blocking materials.
- G. Any pockets or voids in the insulation must be filled so that insulation is of uniform R-value.
- H. Venting of attic area must be consistent with established attic ventilation standards (Weatherization FIELD GUIDE pgs 59-61). Louvered vents will be assumed to have Net Free Area (NFA) of ventilation equal to one-half (1/2) the area of the vent opening, unless otherwise indicated and documented (such as a stamp on the vent package).

Non-louvered vents will be assumed to have NFA of ventilation equal to the area of the

vent opening, unless otherwise indicated and documented.

Turbine vents with a 12" throat diameter will be assumed to have NFA equal to 364 square inches. Turbine vents with a 14" throat diameter will be assumed to have NFA equal to 432 square inches.

- I. Vents must be louvered and/or sealed to prevent rainwater from entering the vent opening.
- J. If wiring in the attic area appears unsafe due to cracked, blistered, or deteriorated wiring insulation, or if circuits otherwise indicate overloading, the attic shall not be insulated out of consideration for fire hazards until these situations are corrected.

Such exceptions must be documented in the client file. Attics containing knob and tube wiring shall be rewired and inspected by a licensed electrician prior to insulating.

Insure all electrical junction boxes are covered and flagged prior to insulation.

- K. Cellulose promotes recycling and, when applied correctly, provides a better sealing effect in the attic area. Blown fiberglass may be used to insulate attics only with prior approval from DHCD.

## **V. INSULATE DUCTS/HEATING PIPES**

- A. Only ducts or pipes located in unheated areas will be insulated. Return and supply ducts/pipes must both be insulated.

Where ducts or heating pipes are located in unheated areas with plumbing, provisions must be made to hinder the freezing of plumbing pipes prior to insulation.

If a basement has a zonal pressure no higher than 10 Pascals with reference to the house, then the basement may be considered "inside" and duct insulation is not required.

- B. Ducts will be insulated with mineral fiber insulation, bubble wrap insulation or two-part foam with an R-value of (6) or greater.

Hydronic heating pipes will be insulated with either rigidly closed cell vinyl foam or mineral fiber insulation manufactured for the purpose of insulating pipes. When using mineral fiber insulation, a vapor impermeable wrapping must be applied on the outside of the insulation.

- C. Insulation joints will be tightly butted or overlapped so as to completely surround ducts and pipes. An exception to this will be the case of ducts attached to joists, floors or some other obstacle, which prevents wrapping. In this case, insulation will cover the part of the duct exposed to the winter cold side and will be attached to the barrier if possible. Insulation joints will be taped completely with aluminum tape or some other appropriate permanent fastener.
- D. Where insulation is applied on rectangular ducts, insulation installed on corners will not be compressed more than 50% of its normal thickness.
- E. When ducts and pipes are not completely accessible/reachable, all accessible/reachable ducts and pipes must be insulated.

## **INSULATE WATER HEATER**

- A. Water heaters will be insulated with mineral fiber insulation with a protective backing attached or bubble wrap insulation with an R-value of five (5) or better. When bubble wrap is used, R-5 must be achieved either by using spacers between the heater and one layer of wrap OR by using two layers of wrap. Insulation will be applied with the protective backing toward the outside.
- B. ELECTRIC WATER HEATERS: Insulation will be applied to the top and sides of the water heater. The overlapped ends of the protective backing should be sealed and banded (bands not required when using bubble wrap) in order to provide an adequate seal.
- C. Pressure relief valve shall not be covered. Access panels to thermostat shall be clearly marked.
- D. GAS WATER HEATERS: Insulation will be applied to only the sides of the water heater. The overlapped ends of the protective backing should be sealed and banded (bands not required when using bubble wrap) in order to provide an adequate seal.
- E. Insulation must not cover any of the following: pilot light, cut-off valve, access panel to thermostat or heating elements, operating instructions, pressure relief valve, drain, any electrical service wiring, hi-limit switch.
- F. Insulation will be installed at least three (3) inches off the floor and one (1) inch away from the pressure relief valve.
- G. In addition to insulating domestic water heaters, the following measures must be performed:
  - 1. Thermostats will be lowered to a temperature the client is comfortable with (120 deg.F is recommended).
  - 2. The first six (6) feet of the hot water line leading out of the domestic water heater will be insulated and (6) feet of the cold water line to the hot water heater will be insulated in the same manner and under the same standards as hydronic heating pipes.

Water pipes located in unheated areas may be insulated in the same manner and under the same standards as hydronic heating pipes
  - 3. The discharge pipe must be properly installed to a minimum of 6" from the floor.

- H. Cabinet type water heaters and water heaters labeled with instructions “Do Not Wrap” should not be insulated.

## OPTIONAL MEASURES

AFTER ALL ABOVE REQUIRED MEASURES HAVE BEEN COMPLETED, THE FOLLOWING MEASURES MAY BE INSTALLED IN A SINGLE FAMILY DWELLING (at discretion of local WAP provider)

MEASURES A, B, AND C MUST BE VERIFIED BY A NEAT AUDIT

### A. FURNACE TUNE-UPS

1. Furnace tune-ups and minor repairs may be performed by a qualified individual to increase the efficiency of the heating system.
2. Units must be tested to determine steady-state efficiency prior to performing the work and after the work is performed to document the results of the work.

### B. HEATING SYSTEM REPLACEMENTS FOR EFFICIENCY

A heating system may be replaced for efficiency improvement if the cost-effectiveness can be documented by a NEAT Audit. Replacement units must be properly sized in accordance with the NEAT audit. When installing new heating systems, ensure that the return duct and grille are properly sized and that the manufacturer’s start-up procedures are followed for fan speed, static pressure, etc.,. **Documentation of efficiency of existing unit and a copy of the NEAT audit must be maintained in the client file.**

### C. FLOOR INSULATION

1. Floor insulation will only be installed under floors separating a conditioned and unconditioned area.
2. Floor insulation must have a minimum R-value of 19
3. Insulation will have an attached vapor barrier and will be installed with the vapor barrier towards the heated area.
4. A three (3) inch clearance from heat producing devices will be maintained.
5. Floor insulation will be installed up to and folded onto band joist or joist header.
6. Insulation will be fitted tightly around cross bracing and other obstructions between

floor joists.

7. Insulation must be installed to maintain permanent contact with the underside of the subfloor decking.
8. All floor insulation will be securely fastened to the floor joists so as to prevent sagging of the insulation. Staples will not be allowed as fasteners for floor insulation. Suggested fasteners are nylon mesh or wire staves.
9. Where floor insulation is installed over a crawl space and no foundation wall or underpinning is present, insulation must be protected from vermin, and/or other items that may destroy the insulation. This protection should be done with nylon mesh or some other vapor permeable material.
10. Where floor insulation is pre-existing, no insulation will be installed except to replace voids and damaged insulation.
11. Installation of foundation vents is prohibited except to provide for combustion air appliances.

THE FOLLOWING MEASURES DO NOT REQUIRE NEAT AUDIT:

D. COMPACT FLOURESCENT BULBS

Replace incandescent bulbs with energy-star certified compact fluorescent bulbs. Ensure that CFL output is same as bulb being replaced. Client must be educated on how the cfl bulb operates differently from incandescent bulbs and must be informed of appropriate disposal of cfl bulbs.

E. REFRIGERATOR REPLACEMENTS FOR EFFICIENCY

A refrigerator may be replaced for efficiency improvement if the cost-effectiveness can be documented by DOE approved methods. The Refrigerator Replacement guidance provided on WAPTAC.org under the “Tools” section must be followed.

F. WATER FLOW REDUCERS

1. Reducers may include low-flow showerheads, faucet aerators, and toilet-tank flush reducers.
2. Water flow reducers are to be installed only when water is supplied to the

house on a metered system or pumped from a well.

3. If the condition of the plumbing is such that damage could result from this installation, this optional measure should be attempted only by someone skilled in plumbing work.

#### G. SETBACK THERMOSTATS

1. Only solid-state setback thermostats with operating instructions attached will be used.
2. Clients must have the effects and operation of the device explained prior to installation.
3. Install setback thermostats on heating systems only. Do not use the setback thermostat on heat pumps or other combination heating/cooling systems.
4. Install setback thermostats in accordance with manufacturer's installation instructions.

### MEASURES SPECIFICALLY PROHIBITED

The following measures are specifically prohibited from installation on single-family housing:

- A. Skirting/underpinning of crawl spaces, except that airtight underpinning of a crawl space is allowed for the purpose of establishing the thermal barrier in conjunction with the house "envelope" (e.g. where the crawl space is inaccessible).
- B. Storm windows.
- C. Foundation vents except to provide combustion air to combustion appliances.



## **MOBILE HOMES**

ALL OF THE FOLLOWING APPLICABLE MEASURES MUST BE INSTALLED IN ORDER FOR THE JOB TO BE ACCEPTED FOR REIMBURSEMENT.

- I. INSPECT HEATING/COOLING EQUIPMENT AND REPAIR AS NECESSARY**
- II. SEAL MAJOR AIR LEAKS**
- III. FLOOR INSULATION**
- IV. INSULATE WATER HEATER**
- V. INSULATE CEILING/ROOF CAVITY**

**I INSPECT HEATING/COOLING SYSTEM AND REPAIR AS NECESSARY.  
ALL HEATING SYSTEMS and GAS WATER HEATERS MUST BE UL APPROVED FOR  
MOBILE/MANUFACTURED HOUSING**

REFER TO THE SINGLE FAMILY STANDARDS. THESE SAME STANDARDS APPLY TO MOBILE HOME UNITS with the following exceptions:

When replacing mobile home heating systems, a MHEA audit will be used only when installing an electric furnace or when a mobile home has an addition(s). ORNL (DOE's NEAT/MHEA audit guardian) approved this procedure. For heat pump installation, refer to MHRA's Manufactured Home Cooling Equipment Sizing Guidelines on DHCD's website.

## II. SEAL MAJOR AIR LEAKS

Look for indoor air quality problems (e.g. signs of condensation on the inside of the dwelling), which should be addressed prior to performing air sealing measures. These problems should be addressed at the source.

Use the blower door to diagnose air leakage.

Prevent heat loss which results from air movement between the conditioned and unconditioned spaces of the mobile home.

- A. Replace missing or broken glass, missing windows, missing doors.
- B. Seal holes in ceilings, walls, and floors which communicate directly with unconditioned spaces.
- C. Seal the following duct areas: plenum connection to furnace; boot connections to trunk and floor; crossover duct connections; jump/branch duct connections; end caps and all other connecting points.
- D. Permanently installed window air conditioners must be permanently air sealed and a cover must be installed or left with the client. Tape is not allowed.
- E. Seal or damper dryer vents, kitchen exhaust fans, utility penetrations, etc.
- F. Check to insure dryer vents are vented to outside, non-combustible, clean and have no loops in vent hose. Dryer vents must not be connected with sheet-metal screws or fastening means which extend into the duct.
- G. All exhaust fans must be repaired or replaced if not working. When replaced, fans must be vented to the outdoors, must be one size or less, and must exhaust 30 cfm as measured. Documentation of measured cfm must be maintained in the client file.
- H. If there is a working re-circulation fan it may be replaced with one that vents to the outdoors and must comply with article G above.
- I. All gas ranges must have an exhaust fan vented to the outdoors and must comply with article G above.
- J. Any kitchen range vents that are repaired or replaced must be vented with rigid pipe.
- K. Marriage walls between sections and add-ons must be sealed.

### **III. INSULATE FLOOR**

- A. Prevent conductive heat loss by insulating the cavity between the floor and belly board. MHEA audit must be used to deviate from this measure.

Blown fiberglass is required due to the frequency of water leaks in mobile homes and the damage that can result if cellulose is used.

1. Missing or deteriorated belly board must be replaced/repared.
2. Where plumbing pipes are located in unconditioned areas with ducts, provisions must be made to hinder the freezing of plumbing pipes.
3. All accessible areas must be insulated. Only specific areas with less than eighteen (18) inches clearance will be accepted as "inaccessible".
4. Exceptions will not be made for plumbing leaks which occur below the belly board.
5. Situations of "health or safety hazard" must be documented in the client file..

#### **C. INSTALL VAPOR BARRIER**

A vapor barrier with a minimum thickness of 6 mil must be installed under skirted mobile homes. Joints of the vapor barrier must overlap by 6 inches. Vapor barriers must be secured at the skirting walls. When openings are cut, vapor barrier must be secured tightly around penetrations (examples – piers, plumbing lines, fuel lines, etc).

#### **IV. INSULATE WATER HEATER**

- A. Water heaters will be insulated with mineral fiber insulation with a protective backing attached or bubble wrap insulation with an R-value of five (5) or better. When bubble wrap is used, R-5 must be achieved either by using spacers between the heater and one layer of wrap OR by using two layers of wrap. Insulation will be applied with the protective backing toward the outside.
- B. **ELECTRIC WATER HEATERS:** Insulation will be applied to the top and sides of the water heater. The Overlapped ends of the protective backing should be sealed, and banded in order to provide an adequate seal.  
Pressure relief valve shall not be covered.  
Access panels must be clearly marked.
- C. **GAS WATER HEATERS:** Insulation will be applied to only the sides of the water heater. The overlapped ends of the protective backing should be sealed, or banded in order to provide an adequate seal.

Insulation must not cover any of the following: pilot light, cut-off valve, access panel to thermostat or heating elements, operating instructions, pressure relief valve, drain, any electrical service wiring, hi-limit switch.

- D. Insulation will be installed at least three (3) inches off the floor and one (1) inch away from the pressure relief valve.
- E. Water pipes located below the belly board may be insulated in the same manner and under the same standards as hydronic heating pipes.
- F. In addition to insulating water heaters, the following measures must be performed:
  - 1. Thermostats will be lowered to a temperature that the client is comfortable with (120 deg. F is recommended)
  - 2. The first six (6) feet of the hot water line leading out of the domestic water heater and (6) feet of the cold water line coming into the hot water heater will be insulated in the same manner and under the same standards as hydronic heating pipes.
  - 3. The discharge pipe must be properly installed outside of the skirting.
- G. Cabinet type water heaters and water heaters labeled with the instructions "Do Not Wrap" should not be insulated.

## V. CEILING/ROOF CAVITY INSULATION

Ceiling insulation must be installed using the practices presented during the training by NRCERT. Also refer to pages 209-213 of the Weatherization Field Guide

## OPTIONAL MEASURES

AFTER ALL THE ABOVE REQUIRED MEASURES HAVE BEEN COMPLETED, THEN THE FOLLOWING MEASURES MAY BE INSTALLED IN A MOBILE HOME (at the discretion of the local WAP provider). DOCUMENTATION OF EXISTING SITUATIONS AND IMPROVEMENTS MUST BE INCLUDED IN THE CLIENT FILE.

### A. FURNACE TUNE-UPS

1. Furnace tune-ups and minor repairs may be performed by a qualified individual to increase the efficiency of the heating system.
2. Units must be tested to determine steady-state efficiency prior to performing the work and after the work is performed to document the results of the work.

### B. HEATING SYSTEM REPLACEMENTS FOR EFFICIENCY

When multiple window air conditioners and electric furnace need to be replaced, a heat pump may be installed. Use the MHRA Manufactured Home Cooling Equipment Sizing Guidelines on DHCD's website.

### C. COMPACT FLOURESCENT BULBS

Replace incandescent bulbs with compact fluorescent bulbs. Ensure that CFL output is same as bulb being replaced.

### D. REFRIGERATOR REPLACEMENTS FOR EFFICIENCY

A refrigerator may be replaced for efficiency improvement if the cost-effectiveness can be documented by DOE approved methods. The Refrigerator Replacement guidance provided on WAPTAC.org under the "Tools" section must be followed.

### E. WATER FLOW REDUCERS

1. Reducers may include low-flow showerheads, faucet aerators, and toilet-tank flush

reducers.

2. Water flow reducers are to be installed only when water is supplied to the house on a metered system or pumped from a well.
3. If the condition of the plumbing is such that damage could result from this installation, this optional measure should be attempted only by someone skilled in plumbing work.

#### F. SETBACK THERMOSTATS

1. Only solid-state setback thermostats with operating instructions attached will be used.
2. Clients must have the effects and operation of the device explained prior to installation.
3. Install setback thermostats on heating systems only. Do not use the setback thermostat on heat pumps or other combination heating/cooling systems.
4. Install setback thermostats in accordance with manufacturer's installation instructions.

### **MEASURES SPECIFICALLY PROHIBITED ON MOBILE HOMES**

The following measures are specifically prohibited from installation on mobile homes.

- A. Skirting
- B. Foundation vents

#### MEASURES NOT SPECIFICALLY PROHIBITED OR CITED

Measures not specifically cited in these Installation Standards must first be approved in writing by DHCD.

# INSTALLATION STANDARDS

## MULTI-FAMILY DWELLINGS

These *Standards* apply **ONLY** to Multi-Family Buildings of 5 or fewer stories. Prior written approval from DHCD must be obtained to weatherize multi-family buildings of 6 or more stories.

Shelters offering temporary residency may be weatherized but require special reporting. DHCD approval is required prior to working on a shelter.

### FOLLOW THE SINGLE-FAMILY STANDARD EXCEPT FOR PROVISIONS BELOW

The focus for air sealing and insulation for multi-family weatherization work must be on establishing pressure and thermal boundaries of the building.

#### MINIMUM BLOWER DOOR STANDARDS

PRE TEST: For each building, single-point tests must be performed in the following manner:

Multiple story buildings: One per floor, alternating locations on each floor.

Single story buildings: One end unit, one interior unit

POST TEST: 30% of the units in each building must be tested. The units must be different from the pre-tested units. In units where a combustion appliance is present, a blower door test and a CAZ test must be performed.

In addition to the standard blower door, attic, and duct zonal testing, zonal pressures must be measured in party walls and “between-floor” cavities to determine connectivity to the outside. These numbers tend to be high, and every effort should be made to seal points of air leakage at the exterior perimeter of the building. When it is not possible to effectively reduce these zonal pressures (**to 10 pa or less**), then individual units must also be air sealed to “compartmentalize” the units within the structure.

For every unit tested, pressure pan readings are required. Zonal pressures are required for duct chases.

Other useful areas to measure zonal pressures are:

duct soffits, cantilevers, plumbing walls, wall cavities behind thermostats, mansards

In most but not all cases, individual units will be air tightened below the minimum ventilation rate (MVR). When residential units are air tightened below the MVR, the MVR worksheet **must** be used. Installed exhaust fans must have a noise rating of one sone or less. The actual cfm of all existing and installed exhaust fans must be post measured and must exhaust a minimum of 30 cfm. DOCUMENTATION OF EXHAUST FAN TESTS MUST BE INCLUDED IN THE CLIENT FILE.

Options for ventilation in residential units include the following:

1. Install exhaust fans with a “smart” timer and adjust for unique characteristics of each unit.
2. Install exhaust fans with a low speed continuous with high speed boost
3. Install exhaust fans and wire to light switch directly



## ALLOWABLE HEALTH AND SAFETY MITIGATION

### **Weatherization Program Notice 02-5** **Effective Date - July 12, 2002**

Energy-related health and safety concerns need to be remedied before, or because of, the installation of weatherization materials. Therefore, energy-related health and safety hazards associated with weatherization activities may be remedied or prevented with DOE funds. Measures and their costs must be reasonable and must not seriously impair the primary energy conservation purpose of the program.

#### **10 CFR 440.18 Allowable expenditures**

The cost of eliminating health and safety hazards, elimination of which is necessary before, or because of, installation of weatherization materials.

Health and Safety cost will not be counted toward your average cost.

#### **Weatherization Program Notice 10-1**

**The Program's flexibility to improve the health and safety of the low-income persons served is intended to mean "energy-related" health and safety.** Grantees are reminded that the primary goal of the Weatherization Assistance Program is energy efficiency. Achievement of this goal endures even with the program changes which allow the DOE funds to be used for health and safety risk mitigation.

- performance of lead safe work practices
- replacement of heating system
- cleaning, repairing and relining venting systems for combustion appliances
- replacement water heaters if unsafe and/or inoperable;
- electrical service repair, replacement, or upgrade to accommodate installation of new heating system
- gas cook stove repair or replacement
- repair of plumbing leaks that cause significant moisture problem
- pest control
- general sanitation improvements

## **Chapter 5 – Health and Safety**

Health and safety is addressed in the CFR:440 rule:

- A. Minimum program requirements (Section 440.16)
- B. Allowable expenditures (Section 440.18)
- C. Energy Audit procedures (Section 440.21)

It is also addressed by DOE in various Weatherization Program Notices (WPN).

The purpose of the WAP and LIHEAP programs is to make income eligible dwellings more energy efficient. Sub-grantees may use funds to complete weatherization measures and make minor repairs as needed to ensure client safety.

DHCD has submitted to DOE a list of guidelines and activities that will be followed for the use of health and safety funds. These guidelines will be updated periodically in accordance with DOE requirements. This chapter contains the information that has been forwarded to DOE that represents the Virginia program health and safety protocol.

While DOE regulations make funds available for H&S repairs, it is a broad area of concern that also encompasses Client Safety, Grantee /Subgrantee Worker Safety, and Lead Safe Weatherization.

A health and safety inspection must be completed as part of the Energy Auditor/Estimator inspection of all projects. The Virginia program focuses its WAP H&S procedures on hazards related to combustion appliances, but also addresses the list of concerns shown here. Inspections of these items are incorporated into the Installation Standards (see Chapter 3) and the Weatherization Field Guide. Activities or work completed with health and safety funds do not have to be cost-justified by an energy audit. These inspections include, but are not limited to, the following:

- blower door testing for minimum ventilation rates (mvr)
- inspection and testing for unacceptable levels of carbon monoxide in the flue and ambient areas
- power supply inspections, repair, or upgrades
- inspection for cook stove or heating system gas leaks
- inspection for adequate combustion air for combustion heating appliances
- draft and pressure tests for combustion appliances
- inspection of vent systems, to include the chimney
- inspection for adequate clearance from combustibles
- inspection of safety controls on combustion appliances

Upon a failed inspection, sub-grantees may use WAP H&S funds for the following work:

- replacement of heating system
- cleaning/repairing chimneys and flue pipes
- replacement water heaters if unsafe and/or inoperable;
- electrical service repair, replacement, or upgrade to accommodate installation of new heating system
- gas cook stove repair or replacement
- repair of plumbing leaks that cause significant moisture problem
- pest control
- A/C repair or replacement when required for client health issues
- general sanitation improvements

### **Allowable Costs**

Ten percent (10%) of all sub-grantee WAP contract funds are reserved specifically for H&S activities. Sub-grantees may request reimbursement for H&S activities directly from this line item. These funds may be used to correct any of the items included on the list shown above if they have been found to be deficient. Unused H&S funds may be converted to the Program Operations (support) budget category. Expenditures for H&S related activities listed on the H & S line item are not calculated into the average cost per unit for completed projects.

### **Prohibited Uses**

Federal grant requirements specifically prohibit the usage of WAP Health and Safety Funds for the purposes of:

- Lead Abatement
- Mold Testing
- Mold Removal

### **Crew/Contractor Safety**

Subgrantees are required to adhere to Occupational Safety and Health Administration (OSHA) workplace and building requirements along with the use of Lead Safe Work Practices to maintain worker safety.

Workers must be trained in proper use of equipment and tools and must maintain any necessary or required licenses and/or certifications. Sub-grantees are required to ensure that all workers are trained and that their training is documented in personnel files. Training costs may be reimbursed through the T/TA budget line item.

Proper and complete safety equipment must be used by providers. Eye goggles, respirators, coveralls, work gloves, etc. protect the very important people who get the work done.

## **Client Safety**

Energy Auditor/Estimator/Inspectors are required to assess client households to determine if the clients are able to withstand the conditions that may be generated during the weatherization process prior to implementing weatherization measures. Clients must be fully informed regarding what conditions to expect and provided the option to remain within the home or to leave during the time when those activities most likely to generate dust are in process (such as insulating, disturbing lead paint, etc.).

**Existing Client Health Problems** – Sub-grantees are required to ask clients if there are existing health problems that may impact the services that can be provided and evaluate the potential to aggravate pre-existing health conditions. These problems will be documented and care will be taken to avoid exacerbating the problem.

## **Potential Hazard Considerations**

DHCD will continue to work with sub-grantees to further refine health and safety procedures to best protect all stakeholders. As part of the Weatherization program, sub-grantees may respond to the following conditions:

**Biologicals** – harsh odors and unsanitary conditions. Sub-grantees are prohibited from using weatherization funds to remediate mold and mold hazards. However, regular weatherization activities can alleviate mold-causing moisture conditions. Homes may be evaluated to determine if moisture issues can be addressed. Clients will be requested to mediate any problems, particularly those relating to mold and other unsanitary conditions (failed sewage systems, etc). In cases where the client cannot resolve the problem, the sub-grantee may use WAP H&S funds if appropriate or resources other than WAP funds if the work activity is not eligible for H&S. This can include clean up of waste, including sewage, pest control, minor mold cleanup, and so forth. The home will not be weatherized until the house is a safe work environment.

**Combustion Appliances, Combustible Gases, and Fire Hazards** – Each sub-grantee is required to follow testing procedures that will insure that combustion appliances are operating in a safe manner.

When a problem is found with a combustion appliance the sub-grantee must notify the client of the issue. Weatherization funds may be used to address problems associated with combustion appliances, including the replacement or repair of the heating system, chimney relining, and proper venting of appliances. When safety problems with combustion appliances cannot be corrected and/or a new system cannot be installed, the dwelling must be deferred. Persons performing work or activities that breach the integrity of a heating system must hold a current Virginia HVAC license.

**Indoor Air Quality (IAQ)** – Sub-grantees are expected to be aware of airborne irritants that may present safety issues for the crew and client and test to identify those irritants where feasible.

In cases where a radon problem has been identified, a sub-grantee may elect to defer Weatherization services. Weatherization funds may not be used to address radon issues.

**Building Structure** – The Installation Standards set forth an energy audit process that helps to identify potential structural problems. Incidental repairs necessary to ensure proper installation and effectiveness of weatherization services are allowed. When structural issues are substantial, weatherization work may be deferred until the conditions have been improved.

Generally, asbestos abatement is not to be addressed through the Weatherization program. In cases where asbestos is present, sub-grantees are not allowed to disturb the asbestos unless they have completed the Asbestos Worker Training approved by DPOR. When sub-grantee employees are not trained, weatherization measures must be installed in a manner that does not disturb asbestos.

**Electrical Issues** – The Installation Standards set forth an inspection process that helps to identify potential electrical problems. Serious electrical hazards are to be described to the owner. Serious hazards typically cannot be addressed through the Weatherization program and additional resources may be identified to complete these repairs. When serious hazards cannot be addressed, weatherization services may be deferred until they are corrected.

In households with knob-and-tube wiring, wall cavities should not be insulated. Attics containing knob-and-tube wiring must be rewired and inspected by a licensed electrician prior to insulating.

**Refrigerant Issues** – Sub-grantees are required to follow local environmental laws to insure the proper disposal of refrigerants.

## Virginia Lead-Safe Weatherization (LSW) Practices

### BACKGROUND

Lead was added to paint as early as the 1800's before health risks were identified. In 1978, the Consumer Product Safety Commission banned the sale of lead-based paint for residential use. Lead-based paint may be found on any surface in the home - inside or outside. Lead is especially hazardous to children and pregnant women. It causes damage to the brain and central nervous system and is irreversible.

### RULE REQUIREMENTS

Lead Safe Work Practices (LSWP) and Lead Renovation Repair & Painting (RRP) are addressed by DOE in WPN 10-1 section 5.13, WPN 09-6, WPN 08-6 and WPN 02-6. EPA 40 CFR part 745 is the basis for these requirements.

### VA WAP LEAD SAFE WORK REQUIREMENTS

LSWP & RRP are a group of techniques that reduce the amount of dust produced by weatherization activities. When used correctly, they make the work area safe for workers and the home safe for residents when weatherization is complete.

1. All pre-1978 single-family dwellings and all pre-1978 mobile homes that have been painted must be tested for lead with an EPA approved test kit.
2. Provide *Renovate Right* pamphlet to occupants before work begins.
3. Obtain signature on Pre-Renovation form before work begins.
4. Provide copy of Pre-Renovation form to occupant within 30 days after work begins. A copy of Pre-Renovation must be on site during weatherization activities.
5. Dwelling work areas meeting the following conditions are exempt from LSWP:
  - a. Interior work disturbing less than 6 sq ft per room of painted surface. Cleanup and cleaning verification are also not required, unless the painted surface involves windows and/or doors.
  - b. Exterior work disturbing less than 20 sq ft per side of painted surface. Cleanup and cleaning verification are also not required, unless the painted surface involves windows and/or doors.
6. Use LSWP & RRP during weatherization (follow EPA 40 CFR 745.85 attached).
7. Recordkeeping (follow EPA 40 CFR 745.86 attached).

8. For dwellings containing lead, Certified Renovator must complete and sign Certified Renovator compliance form (attached) and maintain in client file.

### CERTIFICATIONS

1. Each sub-grantee must be approved by EPA as a certified firm and copies of the certificate must be kept in every work vehicle.
2. Each sub-grantee must have at least one Certified Renovator on staff and copy of certificate must be kept in every vehicle.
3. All crew workers, including all Certified Renovators, must have a current LSWP training certificate. All crew workers must be trained by a Certified Renovator and documentation of training must be kept in every work vehicle.

Pollution Occurrence Insurance (POI) is not required for LSW, however, it is highly recommended. A fund to purchase this insurance is included in the program contract.

### **Summary**

All federal, state and local rules, regulations, and guidelines are applicable to sub-grantees and sub-grantee sub-contractors. This includes health and safety rules and regulations as mandated by the federal Occupational Safety and Health Administration (OSHA) as well as by the Virginia Department of Labor and Industry (DOLI) and the Virginia Occupational Safety and Health (VOSH).

Health and safety practices apply to motor vehicle operation in addition to actual weatherization activities. Unauthorized drivers or untrained equipment operators can imperil a contractor's licensing. Lack of licensing will cause the revocation of provider or grantee status in the Virginia Weatherization Assistance Program.

Tools and equipment should be properly used, maintained, and stored. Vehicles should receive regular care and maintenance. Proper documentation regarding warranties, routine maintenance records, repairs, etc. is a critical aspect of acceptable safety practices.

Work must be done in such a manner as to protect workers and clients as much as possible.

The **Virginia Weatherization Field Guide** includes "best practices" that recognize safety issues and acceptable service delivery method.

## **Chapter 6 – Financial Management and Administration**

### **Financial Management**

DHCD receives annual, federal grants through the Department of Energy and the Virginia Department of Social Services to implement the WAP. These funds are made available to sub-grantees through sub-grants. The “sub-grantees” provide direct program services to income eligible households. The sub-grants are executed each year with eligible non-profits or local governments (non-profit eligibility is discussed in Chapter 2).

Sub-grantees must have the capacity to financially manage all grant funds. This includes the ability to fully track the receipt and disbursement of all grant funds, and the ability to implement and maintain standard, accurate, financial management practices that meet the definition of Generally Accepted Accounting Practices (GAAP).

### **Contract or Agreement**

Grant funds are made available to the sub-grantee through a contract (binding agreement). Execution of the contract signifies a commitment on the part of the sub-grantee to insure that all program requirements are properly implemented. The agreement may only be executed by an authorized representative of the Commonwealth of Virginia and the Chief Executive Officer of the sub-grantee organization. It specifies the terms and conditions of the agreement, such as:

- The total amount of funds available;
- The length or term of the contract;
- The services to be rendered; and
- The name and title of any supporting documents or manuals which are incorporated and included into the contract document by reference.

Grant agreements are for one year, and may be amended to increase, decrease, or re-allocate funding, or to extend the period of performance. Sub-grantees who exhibit a lack of capacity or any failure to perform the agreement as specified may be subject to contract termination and/or become ineligible for contract renewal.

### **Available Funds**

The weatherization program is a federal, formula based grant program. The amount of funds available for each sub-grantee is determined by a formula that represents a portion of the total amount of funding available to the Commonwealth. The formula calculates the percentage of three factors for each locality, and is updated periodically, but most specifically, after census data becomes available. Funding may be increased or decreased in response to changes in census data



(data that indicates population increase/decrease, and/or poverty population increase/decrease) or changes in climate data within each Virginia locality. Those factors are:

- Number of low to moderate income persons;
- Number of heating degree days; and
- Number of square miles.

### **Financial Management System**

Sub-grantees must have and maintain an accurate and effective financial management system that can consistently safeguard the receipt and disbursement of weatherization funds. A WAP financial management system must include the following components or their equivalents:

- Budget
- Accounting
- Internal Control
- Cost Allocation Plan
- Property Management
- Procurement Policy
- Audit Schedules
- Recordkeeping
- Reporting

**Budget** – The WAP is a cost reimbursement program. Sub-grantees may expend funds and receive reimbursement in pre-determined cost categories or “budget” categories. Funds must be expended only for allowable activities. The program budget categories are:

- Program Operations
- Administrative
- Training and Technical Assistance
- Insurance
- Leverage
- Financial Audits
- Health & Safety

**Program Operations** (hard costs) – This budget category provides reimbursement of costs directly associated with installation of weatherization measures, including salaries, wages, and fringe benefits for crew members and associated supervisory personnel, auditor/estimators and/or inspectors, contractors and/or subcontractors; weatherization materials, tools, equipment, warehouse space, and utility costs for warehouse space. Costs for non-crew personnel, office rents/utilities, office supplies and equipment are reimbursable through this category.

**Administrative** (soft costs) – Reimbursement for administrative expenditures may not exceed: five percent (5%) of the total contract amount for Sub-grantees who receive more than \$350,000 in funding, and ten percent (10%) for Sub-grantees who receive less than \$350,000 in funding. Administrative charges may only be levied against new funds, not carryover funds.

Administrative costs are all expenses related to program management including, salaries, wages, and fringe benefits for program administration; financial management; clerical/office staff; building rents; utility and telephone costs; office equipment and supplies. Costs directly associated with installation of weatherization measures are reimbursed through the Program Operations budget category.

**Training and Technical Assistance (T/TA)** – Reimbursement is available for costs to train weatherization staff to acquire, develop, or enhance the skills necessary to administer the program. Staff includes agency administrators who are responsible for the program administration or coordinators, program coordinators, financial staff, estimators, inspectors, crew leaders, and crewworkers.

T/TA funds are provided to:

- Maintain and/or increase the efficiency, quality and effectiveness of weatherization assistance at all levels.
- Maximize energy savings, minimize production costs, and improve management.
- Improve crew/contractor work quality.
- Reduce the potential for waste, fraud, and/or mismanagement.

Training and Technical Assistance activities and reporting are discussed further in Chapter 10.

**Insurance** – Reimbursement is available for costs related to liability, vehicle, and Pollution Occurrence Insurance. Vehicle insurance may be treated as an Administrative or Program Operations cost depending on the manner in which the vehicle is used. Agencies must remain consistent in how this cost is addressed over the life of the program.

### **Liability Insurance**

Subgrantees are required to maintain liability insurance. Subgrantees must ensure that they maintain other insurance as required by law (OSHA, etc.). The cost of all insurance is reimbursable and is an allowable program expense.

Sub-contractors hired to perform weatherization services must either maintain their own insurance or be covered by the subgrantees insurance (this a tremendous liability concern and is not recommended). Projects completed by subcontractors

remain the responsibility of the subgrantee. If a sub-contractor provides substandard, incomplete, or improper service the subgrantee is responsible. If a sub-contractor creates damage, the subgrantee may share liability if the sub-contractor is not properly insured.

### **Pollution Occurrence Insurance (POI)**

DHCD strongly encourages all subgrantees to also carry pollution occurrence insurance.

This is a specialized category of insurance obtained to protect the liability of the subgrantee against the exposure to, or the spread of, toxic pollutants by/to the subgrantee's personnel, the homeowner, and any residents. For weatherization purposes, this insurance specifically refers to lead based paint (dust) issues.

If the subgrantee directly provides weatherization services, DHCD strongly recommends that they maintain POI. If a subgrantee uses a subcontractor, that subcontractor is likewise encouraged to have and maintain POI while performing weatherization services for the contracting agency.

Pollution Occurrence Insurance is not required to cover mold related issues. Mold remediation is not a weatherization approved process.

DHCD no longer provides this insurance. An insurer has been identified, and subgrantees are encouraged to keep this insurance coverage in place, and to secure replacement coverage immediately if the current policy should, under any circumstance, no longer be in place. The cost of the POI is reimbursable and is as an allowable program expense.

**Leverage** – Reimbursement is available for costs associated with activities that promote the program and raise additional funds that may be used to weatherize homes. Subgrantees are encouraged to ensure a dollar-for-dollar return on funds expended for leveraging activities. Landlord contributions are not considered leveraged resources because they are generally not voluntary and often come with special stipulations or requirements.

**Financial Audits** – Reimbursement is available for costs proportional to the amount of available weatherization funding for the completion of an annual financial audit.

**Health & Safety** – Reimbursement through DOE is available for costs incurred to correct hazardous conditions that must be done before a weatherization measure is completed, because it would threaten the health and safety of the occupants of the home. Health and Safety funds are not general repair funds. For example, repairing or replacing a combustion appliance because, sealing major air leaks would threaten the health and safety of the occupants.

Guidelines and procedures associated with the use of funds in the Health & Safety budget category are discussed further in Chapter 5.

## **Program Operations Budget**

Subgrantees who utilize Program Operations funds to cover costs for personnel, etc., must prepare and submit a detailed budget for those planned expenditures to DHCD at the beginning of the program year along with the signed contract. This estimate must include, but is not limited to, any planned expenditures for the following:

- Personnel wages, salaries, and fringe benefits;
- Purchase and/or maintenance tools, vehicles, and equipment;
- Weatherization materials (purchased);
- Building rents *(includes office and/or warehouse—note: real property acquisitions are purchases and are not rentals); and*
- General administrative costs *(includes costs not consistently assigned to specific administration line items).*

## **Accounting**

Subgrantees must have a financial system that associates WAP revenues with WAP expenditures. A “program fund” is an independent accounting record that has separate assets, liability, revenue, expenditure, and a fund balance account for each grant or contract.

All ledgers must be maintained in a manner which will facilitate the preparation of internal and external reports.

A WAP financial management system must include the following components or their equivalents:

- a. **Chart of Accounts** - a code system to identify all weatherization receipts and disbursements.
- b. **Books of Account** – where all purchasing and payment information is recorded
- c. **Fixed Asset Ledger** - the record of all assets that are necessary for the business to exist and are non-tradable
- d. **Administrative Policy and Procedures** – the written policy and process for running the business
- e. **Procurement Policy** – the standardized system for obtaining materials or services from an outside source
- f. **Source Documents** – contracts, purchase orders/requisitions, invoices, bank statements, cash receipts, deposit receipts, payroll records, time sheets, payment vouchers, cancelled checks, receiving reports, deposit receipts, leverage income or expense documentation, etc.

Provisions must be in place for the classification and presentation of the estimated and actual costs of a weatherization project (**Budget Controls**).

- Procedures for determining the allowance of costs in accordance with the material provisions of **10 CFR 440** and financial provisions of **10 CFR 600.121**
- Provisions to account for and document the source or expenditure of weatherization funds and any other program resources (Source Documentation)
- Provisions to provide for complete, accurate and up-to-date financial information regarding weatherization projects and expenditures. (This allows the provider to meet the reporting requirements of the WAP)

Provisions must be in place for the classification and presentation of actual costs of a weatherization job. Actual job costs must be documented and retained for financial reviews during compliance monitoring visits.

Controls for cash flow and resource expenditures must be in place to ensure service delivery prior to reimbursement. Grant money disbursements are sent as reimbursement to the providing agencies after the work is complete. Providers must budget their resources and cash accordingly

### **Internal Controls**

Subgrantees must ensure separation of responsibilities such that the responsibilities related to the receipt and disbursement of funds resides with separate individuals. The separation of these duties helps to safeguard the agencies' assets, promotes operational efficiency, and adheres to customary management policies and procedures.

The basic elements of an adequate internal financial control system will include, but are not limited to, a separation of accounting functions. These functions are:

- Receipt and posting of funds;
- Request or requisition of funds;
- Authorization or approval for disbursement or expenditure;
- Disbursement of funds.

### **Cost Allocation Plan**

The requirement to develop and maintain an updated written Cost Allocation Plan is based on 10 CFR 600 and OMB A-122.

The designated representative or Board of Directors of the organization must approve the cost allocation plan annually.

Costs incurred in connection with programs are eligible charges against contracts, whether incurred by the program itself or another program that provided supportive services, as long as the costs are necessary for the efficient performance of the contract.

The cost principles are the federal regulations which must be followed to insure that federally assisted programs incur costs in a manner that enables each program to pay its fair share of costs recognized under these principles, except where restricted by law.

Depending on the specific requirements of each funding source, costs can be shared within the same funding source as well as between funding sources.

Salaries, office rent and travel expenses are some of the costs that may be allocable to multiple functions. Organizations are required to develop techniques that will provide measurable bases upon which costs may be linked to services and/or activities.

All costs allocated by the plan must be supported by formal accounting records that substantiate their propriety. The cost allocation plan links the accounting records and the reported expenses of the recipient organization.

#### Allocation of Costs:

Some of the methods of allocating costs, i.e., total direct costs, direct salaries, person-hours, square feet, hours usage, documents processed, number of clients served, etc.

- Identify each of the shared costs that should be allocated.
- Identify each of the shared costs that will be included as part of the indirect cost pool, if applicable.
- Determine the method by which costs will be allocated so that each program is paying for its proportionate share of the benefits derived from the costs.

The cost allocation plan should contain, but not necessarily be limited to, the following:

- The nature and extent of the activities provided and their relevance to the contract supported services.
- A list of the expense items to be charged to the contract.
- The methods to be used in distributing the costs.
- Identify the type and cost of each service to be allocated within the plan.
- Determine the method (unit) for allocating the costs of each service to user programs.
- Allocate costs mathematically to user programs (i.e., calculate proportionate shares of costs).

## **Property Management**

Federal regulations govern the acquisition, use, and disposition of property with federal grant program funds. Subgrantees must be aware of and manage two types of property:

- Real property, where ownership is conveyed by a deed, (as in real estate); and
- Personal property (all property that is not real property)

**Note: The purchase of real property is not a grant eligible expense item.**

Personal property may be further divided into two sub-categories

- Expendable personal property; and
- Unexpendable personal property.

Personal property is all property that is not real property. It may include office furniture, supplies, uninstalled materials, and intellectual properties. Unexpendable personal property includes, but is not limited to, equipment, vehicles, machinery, and tools.

### **Acquisition, Use, and Disposal of Unexpendable Personal Property**

***Acquisition: Subgrantees must get permission in writing from DHCD prior to any purchase over \$5,000.00 using ARRA, LIHEAP or DOE funds.*** Subgrantees must acquire property according to their agency procurement policy. Vehicles must list DHCD as the lienholder if the property:

- Has a value of \$5,000 or more
- Is unique or difficult and costly to replace; and
- Is financed solely or in part with grant funds.

All Property with DHCD as the lienholder, regardless of the funding source used for purchase remains the property of DHCD until such time as DHCD obtains approval from DOE and releases its ownership rights. The vehicle titles will be held by DHCD.

***Use:*** Subgrantees may use property acquired with federal grant funds as long as there is a need for the property to accomplish the program goals, whether or not the program continues to be supported by federal funds. When the subgrantee no longer needs the property in any of its grant supported activities, the property may be subject to disposal.

***Disposal: Subgrantees must get permission in writing from DHCD prior to disposing of any property purchased with ARRA, LIHEAP or DOE funds.***

Subgrantees may use the property for its own official activities without reimbursement to the grantee or to the federal government if it has a fair market value of less than \$5,000. If the subgrantee has no need for the property, and the property has a fair market value of less than \$5,000, the property may be sold and the entire proceeds may be retained by the subgrantee.

### **Legal Compliance**

All transactions and documentation of such transactions must be in full legal compliance with local, state and federal laws. Proper coding must be used. Proper ID and tax information must be obtained, maintained, and submitted as required. Failure of a provider agency to maintain its legal compliances will result in revocation of subgrantee status. This will mean the removal of that agency from the WAP.

### **Recordkeeping**

10 CFR 600.242

10 CFR 600.153

All subgrantees are expected to maintain documentation of all program implementation activities in a clear, consistent, and orderly manner. Records provide a historical representation of the thoroughness and appropriateness of service delivery and conformance to applicable rules and regulations.

Files and records must be retained for three years after the close of the program year. The program year is closed after a satisfactory compliance monitoring is received.

The Local Administrator shall maintain such records in such a manner as will be prescribed. Records shall be readily accessible to DHCD, appropriate state and federal agencies, and the general public during the course of this Agreement and shall remain intact and accessible for three years thereafter. The exception is if any litigation claim or audit is started before the expiration of the three-year period, the records shall be retained until such action is resolved.

Records must be maintained until completion of action of all litigation, claims, negotiations, or audits. For property and equipment, the retention period starts upon disposition of the property/equipment.

Financial records, supporting documents, statistical records, client records, or any other pertinent information must be kept for three years. A record keeping system is more complete if these records can be easily cross-referenced or accessed. A cross-referencing process can be created by using date, job ID number, address of service delivery, invoice number, etc.



**Note:** Client records contain personal information about the client. This information must be protected. Client files must not contain social security numbers.

Records consist of two main types, administrative and client. Administrative records include all documents related to program implementation, including financial records that are not directly related to individual client names and client property addresses.

Administrative records and files are associated with the following general areas:

- Contracts, amendments
- Financial Management
- Procurement and Advertising
- Fair Housing
- Personnel Training and Certification
- Vehicle, Equipment, and Materials Inventories or ledgers.

### **Client Record Keeping**

While each subgrantee has its own client intake process and forms, all subgrantees are expected to maintain the same basic client information. Since the database provides the best means to maintain large volumes of client records from many different program years for several years, the forms used to obtain the client information can and may vary from agency to agency. However, hard copies of the information used to obtain the information must be retained because these documents contain client signatures that indicate their authorization to collect their personal information and to perform construction work on their property.

The intake interview obtains information that qualifies or disqualifies a client for inclusion in the Weatherization Assistance Program. Specific demographical information about the client is required for reporting to DHCD and the federal government. This information must be maintained in the client records. This includes:

- Owner Name
- Occupant Name
- Vulnerability Determination (elderly, disabled, or children present);
- Number of residents in the household;
- Income
- Property Information;

**Note:** Providers must remember that **personal information is private information**. In addition to the requirement to maintain records all efforts must be made to insure the privacy and dignity of the client.

Client records must include service delivery information. Service delivery information includes, but is not limited to, the following:

- Inspector/Estimator Report
- Work write-up or work description
- Crew identification
- Weatherization Measures Installed;
- NEAT Reports;
- Job Completion Date;
- Job Final Inspection Date;
- Materials/and equipment installed

**(Note:** The job completion and final inspection dates are critical to determine matters related to re-weatherization). This documentation can also assist in protecting the providing agency from liability issues or claims of fraud.

Client records are reviewed as part of the compliance monitoring. These files are reviewed to ensure client eligibility and client acceptance of work and other items.

### **Financial records**

Financial records occur in two major categories—“Revenue” (income) and “Costs” (expenditures). Each major category can be broken down into smaller parts as follows:

#### **Revenue**

- Grant Funds
- Gross Income earned through grant supported activities
- Rental fees
- Earned Interest
- Other earnings

#### **Costs**

- Separate Cost Categories
- Liability Insurance
  - Business Insurance
  - Vehicular Insurance
  - Pollution Occurrence Insurance
- Materials Purchased for Weatherization
- Capital Expenditures
  - Structural

- Vehicular
- High Value Machinery/Equipment
- Program Operations
  - On Site Wages and Benefits
  - Vehicle Operations (maintenance and fuel)
  - Materials Storage
  - Contracted Labor
  - Other
- Administration
  - Wages and Benefits
  - Operations
  - Other
- Financial Audit
- Leveraging Efforts
- Training and Technical Assistance

These categories are established to conform with reporting requirements to DOE and state granting agencies. They are designed to be helpful for the local administrators in tracking and monitoring income and expenditures. These cost categories are intended to provide a link between reporting requirements as established by DOE and allowable costs listed in **OMB Circular A-122**.

References for general standards in handling program income can be found in **OMB A-102, Attachment E; OMB A-110, Attachment B; and 10 CFR 600.220**.

### **Costs**

Costs are the actual money spent by the subgrantee to fulfill the services required. Costs are either “Allowable” or “Not Allowed”. Allowable costs are the direct and indirect expenses that support the weatherization program and can be properly invoiced. Allowable Costs are specifically defined by the **10 CFR 600 – non-profits 10 CFR 600.124 and states 10 CFR 600.225**.

Examples of Allowable Costs in the Virginia Weatherization Assistance program are attached at the end of this chapter. Examples of Non-Allowable costs are attached at the end of this chapter.

### **Vehicle and Equipment Purchase**

Vehicles and equipment may be bought using WAP funding. Prior to the purchase of any vehicle or equipment over \$5,000.00 subgrantee agencies must receive written authorization of DOE through DHCD for purchases funded with ARRA or

regular DOE funds and DHCD written authorization for purchases funded with LIHEAP funds.

Agencies must plan ahead and evaluate the need for vehicle purchases well in advance so that purchases are not delayed. To facilitate the process, please follow these steps:

- **Submit the Vehicle and Equipment Purchase Form asking for authorization for approval for the purchase of vehicles and equipment in excess of \$5,000 with the following information included:**
- Name of requesting Agency
- Where the vehicle will be used – Specify, full or part time use in Weatherization program
- A statement of whether this is a replacement or an expansion vehicle. If this is a replacement, how is the trade-in being addressed?
- Brief description of how the procurement was done, and confirmation that State and Federal procurement guidelines will be met
- What the funding source will be
- Copies of bid specs (vehicle description with options requested) and **all** bids received
- **A minimum of three bids must be submitted**
- Statement that lowest bid will be selected, or justification if lowest bid not selected
- *This information can be submitted via e-mail, fax, or mailed letter, but must be submitted in writing to DHCD. Furthermore, approval of purchases for vehicles and equipment in excess of \$5,000 must be obtained prior to the purchase*

Upon receipt of this request, DHCD will submit a request to DOE to receive approval for the purchase. T&TA funds may not be used to purchase vehicles or equipment. The cost of vehicles or equipment to support the program may be charged to the vehicle/equipment or program operations budget categories.

The approval of the request is with the understanding that State and Federal procurement guidelines are adhered to and met. Once you have proceeded with your procurement procedure you must send proof of purchase documents within 45 days of the purchase. The approval is valid for 90 days from the date of the approval letter. If the purchase is not made you must notify DHCD in writing.

Note, DHCD must be listed as the lien holder for all vehicles.

An adequate inventory labeling and management system must be in place for all vehicles and equipment whose purchase price is greater than or equal to \$5,000.

Please forward the original title to DHCD, and retain a Department of Motor Vehicles copy for your records.

All vehicles and equipment must be documented and listed on a fixed asset ledger. Small tools and all materials must be listed on an inventory record.

Vehicles and equipment must be maintained to ensure operating efficiency and to preserve the life expectancy. Proper care for a vehicle requires that service(s) and/or repairs done to that vehicle be appropriately documented and will be reviewed during program monitoring.

All subgrantees must maintain comprehensive insurance on all vehicles. Additionally, vehicle operators must be licensed within the State of Virginia, and must be operated in a safe, legal, and proper fashion. If a program vehicle is involved in an accident, copies of the accident report and all insurance filings must be maintained in the program administrative files.

When purchased, vehicles are for the explicit use of weatherization program staff to conduct weatherization related travel. This travel includes, but is not limited to, client intake visits, project estimation and inspection, and meeting and conference attendance. **Weatherization vehicles are not intended for generalized office use, may not be used for staff travel to and from home and the vehicles may not be parked at the home of any agency personnel over night for more than one night.**

### **Vehicle and Equipment and Disposal**

Vehicles or equipment purchased with ARRA, regular DOE or LIHEAP funds which have no more useful life may be sold or discarded (junked). DOE and DHCD requires that vehicles and equipment must be offered to the weatherization network before it is sold or discarded otherwise. Written permission must be received from DOE and DHCD (For LIHEAP funded purchases) prior to the offer. Items may be sold on the open market to any purchaser only after all subgrantees have had an opportunity to make an offer to purchase and have declined. To receive written, permission, subgrantees must send the Vehicle and Equipment Disposal form and a letter to DHCD with all appropriate vehicle information and request a vehicle transaction. DHCD will secure the necessary written permission from DOE. Subgrantees will then receive a follow-up notice that the transfer, disposal, etc., has been authorized.

Funds received from the sale of a vehicle or equipment must be used to complete the replacement purchase of other vehicles or equipment or for other program support related activities. Subgrantees may not depreciate the value of the vehicles for the business benefit of their agencies.

A vehicle ownership may be transferred between subgrantees if permission for this transfer is obtained from DHCD. If the vehicle changes hands, the vehicle's new owner operator is responsible for updating the registration. When a vehicle is subjected to a location change for any reason, proper licensing and insurance maintenance require that its registration be changed accordingly.

DHCD will maintain a general inventory list of grant funded vehicles in use by providers. Equipment and inventory ledgers will be reviewed during monitoring visits. The list of vehicles will be updated on a regular basis.

Subgrantees are advised to take pictures of the vehicle for their insurance purposes. These pictures should be updated regularly. They provide documentation of visual condition and can be used as part of explaining any physical changes that may occur to the vehicle.

## **Procurement**

Subgrantees must follow fair and open procedures for the purchase of goods and services with federal funds, in addition to all applicable federal and state procurement laws and regulations. Fair and open purchase procedures require that advertisement be placed in local papers when goods and services are to be procured, or that documented telephone or written price quotes are obtained before a purchase is completed. One annual advertisement about the intent to purchase materials or procure services can suffice for adequate notice. Additional notice may be required if procurement occurs outside the scope of any completed advertisement.

Federal regulations related to procurement are found in **10 CFR 600.140-148 (for Non-Profits)** and **10 CFR 600.236 (for State and Local Governments)**.

Subgrantees must have a local procurement policy that establishes the benchmark for small purchases and competitive bidding. Other procurement guidelines are as follows:

- When appropriate, an analysis should be made of lease and purchase alternatives to determine which would be the most economical and practical.
- Procedures must be in place to insure that duplicated materials or services are not purchased or contracted.
- Maintain records (accounting and accountability documentation) that detail the significant history of procurement.

- The bid process must be open and available to all qualified bidders.
  - There must be a clear and accurate description of the goods, materials, or services required (with technical information available if requested).
  - Formal Advertising required when Sealed Bids required.
  - Grantees and subgrantees are encouraged to use federal excess and surplus property whenever possible.
  - Grantees and subgrantees are required to give preference to minority firms, women's business enterprises, and labor surplus firms.
- **Note:** Subgrantees are not prohibited from combining all or part of their procurement process in order to take advantage of price breaks given for bulk purchases or to reduce costs in the process. However, if this is done, a contract or procurement agreement must clearly specify "which agency" receives "what benefit" from the procurement, and the agreement must specify the cost each individual agency must pay. If either provider defaults in this process it would financially damage both agencies.
  - *This information can be submitted via e-mail, fax, or mailed letter, but must be submitted in writing to DHCD. Furthermore, approval of purchases for vehicles and equipment in excess of \$5,000 must be obtained prior to the purchase*

Procurement records for large purchases (or subcontracting services) must be kept and contain the following information:

- Solicitation Document
- Documentation of Advertisement
- Attendees and Minutes of Bidders Conference
- Bids/Proposals/Quotations Received
- Documentation the Requirements Satisfied
- Evaluation Panel Members
- Evaluation Work Papers
- Notice to Successful Vendor(s)/Contractor(s)
- Why and how the specific contractor was selected
- The basis for the cost of the materials or services procured

Procuring agencies must have a legal and binding contract with the supplier. This contract must have administrative, contractual, or legal remedies in case of any breach by the supplier. This contract must contain suitable terms for the termination of the contract and basis for settlement in recourse if needed.

## **For Profit Activities**

Some agencies have opted to generate income beyond grants and donations by providing weatherization on a fee for service basis. "For Profit Activities" are

agency actions to provide weatherization services for other organizational programs, organizations, or home owners that are not income eligible for this program. For Profit Activities generate “program income” for providers. A provider may use equipment acquired through the grant process as allowed by **10 CFR 600.124**, **10 CFR 600.134 (paragraph b)** and **CFR 600.232 (section 3)**. There are specific restrictions for this usage. These restrictions are:

- Use of this equipment may not detract from or hinder in any way the delivery of grant funded weatherization services.
- All funds generated by these activities must be designated as program income and will be used for non-profit weatherization services.
- All equipment use and maintenance records must be documented separately from grant funded weatherization.

### **Equipment, Tools, and Vehicles Inventory**

Subgrantees are required to maintain a record or inventory of all equipment, tools and vehicles purchased with grant funds, and to submit this inventory to DHCD during each compliance monitoring visit. Records are required for all vehicles, and special notations are required for any equipment that is amortized or receiving debt service from grant funds. These records contain the basic information about items purchased and include:

- Item name, description and condition (e.g. new, fair, poor).
- Mileage Log
- Storage location and address.
- The manufacturer’s serial number, model number, federal stock number, national stock number, or other identifying number.
- Purchase fund source and type.
- Vehicle title holder.
- When acquired and purchase cost.
- Disposal status – date and manner of disposal.
- All items that cost over \$5,000.00 must have the approval documentation from the Department of Energy or DHCD for LIHEAP Funds.

### **Audits**

All subgrantees must complete an independent annual audit. Audit requirements are set forth in **OMB Circular A-133**, “*Audits of States, Local Governments, and Non-Profit Organizations*”. Additionally, audits are required by **10 CFR 600.226**. All non-profit grant recipients or subgrantees (providers) are subject to non-federal audits as required by **10 CFR 600.126**, the **Single Audit Act of 1996 (31 U.S.C. 7501-7507)**, and (revised) **OMB Circular A-133 “Audits of States, Local Governments, and Non-Profit Organizations”**. Audits are to be submitted to the



attention of the weatherization Program Administrator and must be submitted to DHCD audit within 30 days of completion.

### **Invoicing and Reporting Database**

DHCD has developed a database for use by all subgrantees to report client demographic data and to submit invoices for reimbursement payment. It was created on Microsoft Access 2003. Subgrantees must have that version or greater of Access to run and use it properly. It is a data entry and storage vehicle which will only validate all data that has been properly calculated and entered. It will invalidate data that has been incorrectly calculated and then entered.

The database may be used continuously from year to year, it may be restarted anew each year, or it can run multiple program years simultaneously. Instructions on how to use the database are provided in Chapter 7 “Reporting”.

As of Program Year FY 2008 most data fields are mandatory fields. Database users will not be able to move from one screen to another until all mandatory information is provided. Technical assistance will be available from DHCD.

### **Inventory and Warehousing**

Providers are encouraged to purchase materials in bulk quantities to capture significant savings if the provider has the financial capability to do so.

As materials must be purchased with an agency operating account that is then expensed to the WAP once those materials have been installed, all paperwork received and a final inspection completed on the unit. Once this process is complete then the agency can invoice those expenses for reimbursement.

All materials must be stored properly in a secure environment.

Any warehousing must have an individual(s) responsible for the process. This individual(s) must have direct input to the procurement process.

Subgrantees must have a reconciliation process to account for the purchase and usage of warehoused items. A system must be in place that allows materials used to be billed & tracked back to the individual jobs.

A replacement schedule for materials usage should be established. A schedule for this purpose is designed by “checking in” materials as they are received and “checking out” materials as they are loaded on the trucks or used. In effect, a balance sheet is created to be used in figuring the actual amount of materials on hand. This balance sheet can be used as a tool for judging future materials usage and thereby increase efficiency in the provider’s procurement process and job

scheduling. It will provide data necessary to better and more accurately estimate costs for jobs.

### **Allowable Costs: Definitions and Explanations**

This attachment is written to provide some guidance on the terms used throughout this chapter. It is based on **OMB Circular A-122**, and the **Federal Acquisition Regulations (FAR) – Section 31.205**.

**Accounting Costs** – These are the costs incurred as a result of developing, establishing, and maintaining an accounting system to track costs and results. Accounting directly supports programs.

**Advertising Costs** – The costs associated with the utilization of media or mediums specifically for the benefit of the program. This can include: want (recruitment) ads, advertising the program, phone book listings, solicitation of bids (for materials or services), costs of flyers, etc.

**Advisory Council Costs** – Costs incurred by Advisory Councils or Committees, created in accord with federal requirements, whose goal is to carry out a grant program.

**Audit Service Costs** – The costs associated with the auditing of accounting, management, and administration of a local program. This can include the hiring of an outside agency to check the local provider's books.

**Bonding Costs** – The costs of rates or premiums on bonds covering employees who handle subgrant funds or sub-contractors. Basically this is a type of insurance against potential malfeasance or mistakes.

**Budget Costs** – The costs associated with the development, preparation, presentation, and implementation of budgets or budget modifications. This is

different from “Accounting Costs”. A Budget is the money and plan where it should go. Accounting is the tracking of the money and plan.

**Communication Costs** – The costs associated with all types of communication used to support the local organization and program.

**Compensation for Personal Services** – This is wages, salaries, compensation and benefits. The compensations costs are allowable if: the total compensation is reasonable for the services provided, is in accord with the limitations of any contracts between the WAP and local provider, follows a salary schedule supported by law, and is determined by and supported by adequate documentation.

Payrolls must be supported by time and attendance records for each employee. Total compensation for an employee that works in more than one program (an example would be Weatherization and Emergency Home Repair) would be split between the programs that the employee participates in. Documentation would show time spent with each program to create an actual and equitable allocation of program funds.

**Disbursing services** – This is when an agency has an outside firm that handles receivables, processes checks (from preparation to redemption), and handles records for accountability/reconciliation purposes.

**Fringe Benefits** – Benefits in addition to “Compensation for Personal Services”. These benefits must be reasonable and rational. They include: Annual Leave, Sick Leave, Court Leave, Military Leave, etc. These costs are allowable if they are part of the personnel system of the organization, equitably applied to all employees, and equitably applied to all grant programs operated by the provider.

Employer’s contributions or expenses for Social Security, life and health insurance plans, unemployment insurance, worker’s compensation insurance, severance pay, etc. are allowed if they meet the same criteria as the other benefits. All benefits must be properly documented as to what they are, the named beneficiaries, how they are used, and when they are used.

**Maintenance and Repair** – These are costs incurred for necessary maintenance, repair, or upkeep of property.

**Materials and Supplies** – This is specifically for those materials and supplies needed to implement the program. The actual cash cost to the provider of the items is the value used or the allowable cost. The provider does not get to charge the materials twice to the program by first using program funds to buy the materials and second by using the materials as allowable cost items also.

**Meetings and Conferences** – These are expenses where the purpose is to give and receive technical information related to the program are allowed. Legitimate business meetings involving non-alcoholic refreshments are allowed. There is significant difference between legitimate business meetings and entertainment. Entertainment is not permitted to be an allowable cost.

**Memberships** – The cost of a membership in an organization is allowable if the membership benefits the weatherization program, the expenditure is for an agency membership, the cost is reasonably related to the value received in services or benefits received, and if the membership organization is not devoting a substantial part of its activities to influencing legislation.

**Payroll Preparation** – The costs associated with preparing and maintaining wage records.

**Personnel Administration** – These are costs associated with hiring, training, testing, and certifying of personnel. It also includes the costs associated with creating and implementing pay standards for employees.

**Printing and Reproductions** – This includes the creation of and the publishing of forms, circulars, flyers, reports, manuals, or other informational literature related to the program.

**Procurement Services** – The costs of obtaining materials or services directly related to the program are allowable. This includes solicitation of bids, preparation and awards of contracts, and all things necessary to insure proper administration of the services received for the program.

**Reference Materials** – This is the cost for technical manuals, periodicals, circulars, magazines, etc. that provides information related to weatherization services. If the reference material is part of a membership package it is not a separate allowable expense.

**Taxes** – Taxes, or payments in place of taxes, which the local organization is legally obligated and required to pay are allowable when they directly relate to weatherization. If an organization participates in multiple grant programs, spread the tax costs out appropriately. Programs are often eligible for tax exempt status in some areas and should pursue those opportunities.

**Training and Education** – These costs are specifically for in-service training. It is usually provided for employee development which directly or indirectly benefits the program. A good rule of thumb is “Was the employee paid while attending this training?”

**Transportation** – This relates to the shipping of materials necessary for the use of or betterment of the program. An example might be the shipment of technical

manuals from the publisher to the organization's location. This category does not include employee travel unless an employee went to go get and bring back the technical manuals.

**Travel** – This category is for employee travel expenses directly related to the program and local agency's business. Costs (food and lodging) may be charged on an actual basis. Mileage is prorated and not to exceed federal guidelines. Airline travel costs are only allowed for classes less than "First Class". In order for travel expenses to be allowed they must be consistently applied parts of an organization's personnel policy.

### **Non-Allowable Costs: Definitions and Explanations**

This attachment provides some guidance and clarity to what is defined as a "Non-Allowable Cost". It is not absolute and total in its scope. It is based on **OMB Circular A-122** and the **Federal Acquisition Regulations (FAR) – Section 31.205**.

**Bad Debts** – This means ANY losses coming from uncollectible accounts.

**Contingencies** – many organizations will create a "rainy day" or emergency fund. This money is taken out of the business and held in an account for the "just in case" situation. Since this money is not in active use by the organization it is sometimes assumed that this is a loss of income. This is not the case. This money is held in reserve and still belongs to the organization. It is not an investment. It is not leveraging funds.

**Contributions or Donations** – Contributions or donations, including cash, property, and services made by organizations, regardless of the recipient are unallowable.

**Cost of Borrowing** – If an organization borrows money from any other organization or institution any costs related to this activity are not deductible. Interests, filing costs, administrative fees, bond discount fees, legal fees, etc. are not allowable deductions.

**Entertainment** – The costs of amusements, social activities, and all expenses related to entertainment are not allowable. This category is sometimes confused with legitimate business meetings or training. There are several keys to understanding this category. Was the employee compensated for attending the meeting? Did the employee receive or transmit knowledge that is directly

applicable to the organization or the services provided? Was alcohol served (if yes, then it was definitely entertainment)?

**Fines or Penalties** – Any fine received by any organization is a punitive action by an authority. This includes costs related to the failure to obey or comply with any federal, state or local law, regulation or rule. It would not make sense to have that action be deductible or the “sting” would be nullified. If the punishment was nullified then laws, regulations, or rules could simply be ignored.

**Recovery of additional expenses** – This is when a job costs more than expected and the grant does not cover the total price. The provider must make up the difference. This additional cost is not allowable as a business loss.

## Chapter 7 - Reporting

### **Report Requirements**

The Department of Energy, DOE, requires quarterly reports on the amount of funds expended and the demographic information for the households assisted. Each project that receives at least \$1 in DOE funds may be reported as a DOE assisted project. However, accurate job and expense reports must be maintained in the local agency's files.

DHCD receives and tracks this information on a monthly basis in order to monitor the rate of program spending and performance. Most of the information needed is reported via the database. The fields in the database that receive the required information will all be converted to "mandatory" fields. Mandatory fields must be "filled" before data entry can be completed and reports submitted.

Activity reports are required for the expenditure of certain types of funds. Although this information is required, there are no database fields for them at this time. Separate report forms have been provided for these reports. The report forms ask for a brief, narrative description of how funds are spent for Health & Safety (H&S), Leverage, and Training and Technical Assistance activities.

### **Report Schedules**

Invoices and job reports are due by the 15<sup>th</sup> of each month and all sub-grantees are expected to request reimbursement for expenditures monthly. If the 15<sup>th</sup> falls on a weekend or a holiday then the invoices and reports are due the very next business day. Reports are not required if there are no completed jobs or expenditures to report, however, sub-grantees should not go more than one month without submitting a report.

Reimbursements are paid by DHCD when subgrantees submit required reports providing information about the clients that have received service, activities completed, and equipment and supplies purchased. Client reports must be submitted on the assisted clients (occupants not owners).

Certified payroll reports are required weekly (Only for jobs that have ARRA funds utilized).

Any subgrantee, who has failed to expend fifty percent (50%) or more of their contract total by the 9<sup>th</sup> month of the contract period, will be subject to a recapture of all or a portion of remaining funds without notice. Recaptured funds will be distributed, only to those subgrantees that have drawn 80% of their funds. These determinations will be made based upon an evaluation of the drawdown records.

The key information sought, in addition to the cumulative financial expenditures, is:

- How many units single-family, multi-family or manufactured homes have been assisted
- How many rental or owner occupied properties have been assisted
- How many units are occupied, by elderly, disabled, or families with children

- How many units are occupied by Native Americans
- How many units have been re-weatherized
- How many elderly persons, disabled persons, and children have been assisted

The quarterly report forms are excel sheets and are included as a part of Chapter 6 attachments. Instructions on how to update the database are included at the end of this chapter.

#### ARRA Financial and Job Reporting to DOE

DHCD compiles and issues this report monthly. Local Agencies need to pay special attention to accuracy and completeness. The required data is captured from local agency reports submitted through the separate ARRA data base. The data base contains the local agency information (job data, financial and demographic) needed for ARRA monthly and more detailed quarterly reports. Make sure your entries are accurate, complete and submitted on time. Incomplete and or inaccurate database reports will not be processed.

1512 OMB Vendor Report and the OMB Job Data Reports (Due on or before the 1 st day of the end of each quarter) A reporting template has been distributed for agency use. This report concerns ARRA funds.

All Vendors that are used for each quarter need to be reported (include 5 + 4 zip code) even if they are used in the previous quarters.

Job reports include the hours worked for each category in the reporting template.

#### Davis - Bacon Certified Payrolls

Must be for weekly time periods and submitted to DHCD weekly.

### **LIHEAP Reports**

#### LIHEAP Data Base Reporting (Due on or before the **15th of every month**)

The data base captures the local agency information (job data, financial and demographic) needed for LIHEAP reports. Make sure your entries are accurate, complete and submitted on time. Incomplete and or inaccurate database reports will not be processed.

### **LIHEAP HouseHold Report**

DHCD compiles and issues this report to DSS. The required data is captured through local agency reports submitted through the data base. The LIHEAP/ DOE Weatherization Client Application (paper version distributed to applicants) must ask if the applicant has received a benefit from DSS in the current program year in the following programs; Cooling Assistance, Fuel Assistance or Crisis.

Children (5 or less) – In the Data base “Client General Demographic” section, there is a reporting field for children. This field will now be required. DOE requires reporting of children under



18. Report children in two categories - children 5 or less and children 5 years and 1 day through 18.

Referral - In the Database “Application Information” section there is a reporting field for “Referral”. By clicking in the shaded down arrow, a drop down box appears. There are two choices for the LIHEAP : DSS/Crisis and Fuel Assistance. Any Client that has been referred from or served by any DSS LIHEAP program (Crisis, Fuel Assistance, Cooling) in the current program year is required. Cooling and fuel assistance will be grouped together by using the Fuel Assistance category.

DSS Case # - If the DSS case # is known this needs to be include in the field labeled DSS Case # in the “Application Information” section. This will include all clients that are completed from the DSS Referral List that is distributed from DSS one to two times annually.

Denied Clients- any client that is income eligible but is denied for any reason. This category also includes eligible clients on existing waiting list but not served by the end of the program year.

The end of year waiting list data will be accepted in a spreadsheet.

### Multifamily Database Reporting

**Vacant units** can be reported in the Database by using a creative first and last name. Make up a ‘first name’ such as the initials of the multi-family complex or the street name the ‘last name’ needs to be the word vacant, your agencies two digit FIN identifying # and the unit #

An example might be: Vacant Unit C in Maple Wood Apartments =  
first name – Maplewood

Last name\_ Vacant23c Use a system to make the names unique so they will not be used by another agency by including your agency FIN # do not use spaces

Also use the word Vacant in your assigned ‘File #’.

**Unqualified but Eligible units** may be completed under DOE regulations for Multi Family Units. To report these units there will need to an identifying item entered. On the Client Form in the Conditional Approval field enter the words “**Unqualified- eligible**” then continue you report as normal.

## Attachment 1

### How-to Create A New Annual Database *(Optional)*

A new database may be started each year in order to maintain a small and distinct database that keeps information separate from year to year. The database can hold a large volume of information. It is not necessary to use a separate one each year, however, if your database becomes corrupted or problematic throughout the year, creating a new one at the start of the next program year can help to eliminate operating problems. A separate database is recommended when operating multiple, simultaneous programs during one program year.

1. Go to your database in access, but do not open your database.
2. Using your mouse, place your cursor on the database file.
3. “Right” click on your database file to open the dropdown menu.
4. On the dropdown menu, select and right click “Copy”.
5. Place your cursor on any open space on the screen.
6. “Right” click on the open window to open the drop down menu.
7. Select and click “paste”. A copy of your database will appear.
8. Right click on your database to open the dropdown menu.
9. Select and click “Rename” to change the name of your new copy of your database.
10. Delete records as necessary from **ALL** tables. (**Note:** deleting records will not alter your database operation. It will only give you a clean database to begin anew. It is a good practice to only delete records up to a couple of months before the beginning of a program year since new applicants may have been entered or some jobs will be combined

## Attachment 2

### Data Base Instructions for Contract Updates

Your database must be updated when contracts and amendments are issued so that it will calculate your financial transactions with up-to-date financial information. Updates are required for the invoice and demographic tables for both DOE and LIHEAP. Updates are generally not required for the client tables.

The items to be updated for contract changes are:

- a. Contract Code
- b. Contract Amount
- c. Production Contract Amount
- c. Average Cost
- d. Health and Safety
- e. Administrative Total
- f. T/TA

### Editing your Data base (DB)

#### Enter your agency information as a default value in the “Client” Table.

Open your DB. You will start at the main Switchboard (Blue background with orange lettering “Client Database”).

Close the Switchboard by clicking the X in the upper right of the Switchboard window.

The actual DB window is now visible.

In this window you will see a column labeled “Objects” in the left side.

Click on Tables, which is the first item under “Objects”. Then in this same window, you might have to scroll left to see the small table icon labeled “Client”.

Click “Client” once to highlight this table (do not double click to open).

With the Client table highlighted – go directly above “Objects” to the Turquoise blue triangle and click it. This will open the Design Window for this table

A window will pop up, labeled “Table: Client”.

In this window you will have two areas. The upper area will list the Field Name and other information. Put your cursor in the first row - Agency FIN. You can use your up and down arrow keys to move around from field to field.

The bottom half of the screen/window has a shaded area including a General and Look – Up tab.

Select the General tab and in the row labeled “Default Value” enter your DHCD agency #.

**Always use Quotation marks (“03”, “People, Inc.”).** When you place the cursor in this row, three dots will appear on the right, ignore these (other options).

Proceed from row to row entering you agency’s information. This default will automatically enter your agency information in Tables, Forms and Reports.

Save when you are finished and close the Design Window.

**Enter your agency information as a default value in the “Invoice” Table.**

Then Open your DB. You will start at the main Switchboard (Blue background with orange lettering “Client Database”).

Close the Switchboard by clicking the X in the upper right of the Switchboard window.

A window is now visible.

In this window you will see a column labeled “Objects”.

Click on Tables, which is the first item under “Objects”. Then in this same window, you might have to scroll left to see the small table icons for the item needed.

Select/highlight the appropriate Invoice Table (DOE Wx, LIHEAP, HER, Access etc.) that the contract amendments are for.

Click program Invoice once to highlight (do not open) this table.

With the program Invoice table highlighted — go directly above “Objects” to the Turquoise blue triangle and click it. This will open the Design Window for the highlighted table.

A window will pop up, labeled “Table: DOE, LIHEAP, HER, etc. Invoice”.

In this window you will have two areas. The upper area will list the Field Name and other information. Put your cursor in the first row - Agency FIN. You can use your up and down arrow keys to move around from field to field.

The bottom half of the screen/window has a shaded area including a General and Look – Up tab.

Select the General tab and in the row labeled “Default Value” enter your DHCD agency #.

**Always use Quotation marks (“03”, “People, Inc.”).** When you place the cursor in this row, three dots will appear on the right, ignore these (other options). The Three rows you have to set default in are: FIN, Agency Name, and Contract Code.

Proceed from row to row entering you agency’s information. This default will automatically enter your agency information in Tables, Forms and Reports.

Save when you are finished and close the Design Window.

**Type in or Paste and Copy your contract amendments**

Then Open your new database. You will start at the main Switchboard (Blue background with orange lettering “Client Database”).

Close the Switchboard by clicking the X in the upper right of the Switchboard window.

A window is now visible.

In this window you will see a column labeled “Objects”.

Click on Tables, which is the first item under “Objects”. Then in this same window, you might have to scroll left to see the small table icons for the item needed.

Select/highlight the appropriate Invoice Table (DOE Wx, LIHEAP, HER, Access etc.) that the contract amendments are for.

With the appropriate program Invoice table highlighted (only click once to highlight)— go directly above “Objects” to the Turquoise blue triangle and click it. This will open the Design Window for the highlighted Table.

A window will pop up, labeled “Table: DOE, LIHEAP, HER, etc. Invoice”.

In this window you will have two areas. The upper area will list the Field Name and other information. Put your cursor in the first row - Agency FIN. You can use your up and down arrow keys to move around from field to field. As you move from row to row the bottom half will give details about each field.

The bottom half of the screen/window has a shaded area including a General and Look – Up tab. Select the General tab in the upper half of this window, put your cursor in the first file/row Agency FIN. In the lower half find the row labeled “Default Value” enter your DHCD agency #. **Always use Quotation marks (“03”, “People, Inc.”, “04-wx-18”).** When you place the cursor in this row, three dots will appear on the right, ignore these (other options). The Three rows you have to set default in are: FIN, Agency Name, and Contract Code.

Precede to each item you need to update by entering you agency’s information. This default will automatically enter your agency information in Tables, Forms and Reports.

Save when you are finished and close the Design Window.

.....

**Contract Amendments** are done in this same Table window for the appropriate Invoice.

The upper area will list the Field Name and other information. Put your cursor in the first row - Agency FIN. You can use your up and down arrow keys to move around from field to field. As you move from row to row the bottom half will give details about each field.

The fields in the Invoice Table that might need to be edited for contract amendments are:

**DO NOT use Quotations on any of these entered Values. Also the Fields have a specific formatting default - do not enter dollar signs, commas, dashes or other formatting.**

**DOE** – Admin Amount (%); Average Job Cost; Total Contract Amount; Production Contract; C-Health and Safety; C-T/TA.

**LIHEAP** - B-Average Job Cost; CI-Average Job Cost; LIHEAP Contract Amount; Admin Percent.

**HER** – HER Contract Amount.

**Accessibility** - none in this design window.

## Main DB cannot find Export to DHCD

Your Database gives you error messages Cannot find Export to DHCD”

Open your Database. You will start at the main Switchboard (Blue background with orange lettering “Client Database”).

Close the Switchboard by clicking the X in the upper right of the Switchboard window.

A Access database window is now visible.

In this window you will see a column on the left labeled “Objects”.

Click on “Queries”, which is the second item under “Objects”. Then in this same window, you might have to scroll left to see the small table icons for the item needed.

Select/highlight ( left click once) the appropriate **Export Query** that cannot find “Export to DHCD”.

(Export Client, Export-DOE Wx Demographic/Invoice ..., Export-LIHEAP..., Export HER, Export Access etc.)

With the program **Export Query** highlighted — go directly above “Objects” to the Turquoise blue triangle and click it. This will open the Design Window for the highlighted Table.

A window will pop up, labeled “Export – (name of table-DOE, LIHEAP, HER, etc.): Make Table Query” Do not make any changes in this window!!

Move your curser to the Tool Bar. Near the middle of the tool Bar you will find a “Query Type” icon. It will look like a window with a black exclamation. Click on this icon a small window will pop up – select Make Table Query. The “Make Table Query ” window will appear.

In this window you will have two areas. The upper area will list the Table Name.

In the lower area will have a highlight - Green dot or check in “Another Data Base”

At the bottom a field “File Name” will already have information in it but you can edit this Path for where ever you have located the ”Export to DHCD.ane”.

You will want to delete the path or location of the file but not the name of the file. The best way to do this is placing the curser in the file name field and use the delete button on the keyboard to remove the path information up to the backslash before the file name ”Export to DHCD.mdb”.

Change the file extension from “mdb” to “ane”. The only text that will be in this file name field will be ”\Export to DHCD.ane”

Example: C:\Documents and Settings\stephens\My Documents\Export To DHCD.mdb

Leave this window open and Click the Open File icon on your tool bar. Find your Export to DHCD.ane database file which should be in My Documents. Highlight by clicking once then Right Click select properties from the drop down menu. The properties window will open and on the General Tab you will find “Location” or “Path”. Copy the location path by highlighting the location and use Control –C on the keyboard.

Close this Properties window. Return to the Export Query window and Paste the file Location /Path in the File Name field of the make table window using Control –V on the keyboard. Make sure the backslash and file name are at the end of this text.

Example: C:\Documents and Settings\My Documents\Export to DHCD.ane

Now you have directed The Export Query to make the export table in the new file location/Path. Save and close this “Make Table Query” window. Then close the Export Query and return to the Main DataBase window. This process may have to be repeated for each export query that cannot “find” the Export to DHCD.ane file.

## **Chapter 9 - Training and Technical Assistance**

The **Low Income Home Energy Assistance Act of 1981, section 2609A**, authorizes Training and Technical Assistance (T&TA) funds to its Grantees and subgrantees. T/TA funds are for any activity that will maintain and increase the efficiency, quality, and effectiveness of the program. Further, the funds may be used to maximize energy savings, minimize production costs, improve overall program management, crew/contractor work quality and/or reduce the potential for waste, fraud, and mismanagement.

T/TA funds allow for the creation, maintenance, or support of any training program or activity that DHCD finds correct and necessary for the continuance or improved application of the WAP.

This training can be provided directly by DHCD, “out sourced” (training contractor), or individually obtained (subgrantees may identify and pursue any training necessary). It can vary from office skills training (introductory, intermediary, or advanced computer skills training, accounting classes, management and leadership skills development, etc.) to weatherization skills training (carpentry, framing, minor construction, etc.). It can be used to purchase displays and promotional materials, and training equipment, and specialized equipment for your agency.

These funds are separate from the Operational or Administrative funds contracted to and received by the WAP providers for weatherization services. T&TA funds do not impact the average cost of weatherization to any units.

Each subgrantee receives a portion of the overall T/TA budget. DHCD retains a portion for costs related to monitoring, staffing, and conference planning. DHCD also retains a portion to be made available to subgrantees or to plan and sponsor various subgrantee activities such as the crew competition interchange, etc.

Subgrantees must complete any necessary procurement when purchasing goods and services.

Documentation for this training must include:

- Training dates and times;
- Training location;
- Attendees (attendance sign-in sheets counter-signed by the instructors);
- Course content or curricula;
- Training schedule, outline, or agenda;
- Copies of training materials;
- Instructors Resumes or Bios including list of licenses or certifications;



- Procurement documentation ;

Copies of all training documentation must be retained by the subgrantee and will be reviewed during a monitoring visit. No training funds for costs will be advanced by DHCD prior to receiving the invoice and any specially required support documentation.

Funding used for T&TA is to be focused towards maintaining and/or increasing the efficiency, quality and effectiveness of the WAP at all levels which result in:

- Maximizing energy savings.
- Minimizing production costs.
- Improving management.
- Improving crew or subcontractor work quality.
- Reducing the potential for waste, fraud, and/or mismanagement.

Examples of acceptable Training and Technical Assistance funds usage include:

- Compliance and Technical Monitoring;
- Evaluation Studies;
- Energy Audit Training;
- Technical Training;
- Certification Training;
- Lead Safe Weatherization Training;
- Management Training;
- Training Centers;
- Meetings or Conference Attendance;
- State Conferences;
- Interchanges;
- Client Education;

Subgrantees are required to report the use of T&TA funds to DHCD on the activity report form. In addition to reports on how the funds were expended, the reports should include examples of how this training has positively impacted the implementation of the program. These reports are part of the criteria that DHCD will use for future consideration of approval and reimbursement for subgrantee training activities.

Unspent Training and Technical Assistance funds may be reallocated for weatherization operations. Unspent T&TA funds may not be reallocated to administrative or H&S expenditures.

## Chapter 10 – Monitoring Policy and Procedure

### Purpose and Goals

DHCD will monitor each subgrantee annually to ensure that the program is being implemented as required by DOE, and in accordance with the guidelines set forth in this manual. Monitoring is a process that allows DHCD an opportunity to visit subgrantee facilities and examine and evaluate each agency to assess their proficiency at program implementation.

Monitoring visits will fall into one of two categories. They are:

1. *Compliance Monitoring* – a site-visit to review files, records, equipment, facilities, and completed weatherization projects meet with all state, federal, and programmatic regulations and guidelines culminating in a formal written program evaluation.
2. *Technical Assistance* – a site-visit to provide guidance or on any aspect of the program implementation processes or procedures. A formal program evaluation is not completed, however areas of concerns may be noted.

### The Compliance-Monitoring Process

Compliance monitoring will occur at least once each contract period (12-months). The number of visits and the time required for a visit is dependent upon the amount of funding. The agency is required to furnish calibrated tools and equipment. It will follow a standard 4-step process which is:

1. notification and scheduling
2. review
3. exit interview
4. compliance report

### Notification and Scheduling

The date and time will be negotiated with the subgrantee weatherization manager.

### Review

Here is a brief description of the content of the monitoring categories:

1. *Program Management* – all programmatic administrative files directly related to the WAP must be present and available for review. This includes copies of contracts, contract amendments, public notice records, materials and equipment inventories, internal policies, insurance coverage, etc.
2. *Financial Management* – appropriate documentation will include accurate and complete reports of all WAP funds received and expended, with special emphasis on procurement records and vendor payments. Financial Management review may occur separately from the general administrative reviews and property inspections.
3. *Client Files* – all client files must contain:
  - An income-verified client-signed application
  - Hard copy documentation of income and ownership
  - Re-verified application after six months, if applicable
  - Owner agreement
  - Lead pamphlet sign-off
  - Lead Test Results, if applicable
  - Energy audit
  - NEAT or MHEA audit, if applicable
  - Materials inventory check-out or invoice
  - Contractor invoice, if applicable
  - Inspection
  - Client response
  - Job report
4. *Projects in Process* – the monitor will observe at least one energy audit and weatherization jobs (each) in progress by the agency's crew or subcontractors. Additional energy audits and crew sites may be visited at the discretion of the monitor.
5. *Completed Projects* – the monitor will inspect no less than five jobs and up to ten percent (10%) of all jobs completed for the program year under review. Inspection includes review of project files as well as structures.
6. *Vehicles and Equipment*- agencies are required to have a list of weatherization vehicles and a list of equipment costing more than \$5,000.00.
  - a. *Vehicles* – must have a current inspection sticker, proper registration, and tax decals. Vehicular maintenance and repairs must be documented. Records must be available for verification, including mileage logs for each vehicle.

- b. *Equipment* – must be routinely serviced and/or calibrated as required. All services and/or calibrations must be documented and these records available for verification.
7. *Inventory* – storage areas will be inspected to make sure that stock is safely and properly stored to protect personnel and inventory. The warehousing process and inventory records will be reviewed.

### **Exit Interview**

Compliance-Monitoring visits will conclude with an Exit Interview with the Executive Director and the Weatherization Manager. The monitor will summarize the results, provide a verbal report of the outcome of the review, specify whether there were any findings of non-compliance, and any other concerns. Additionally, the monitor may make recommendations for staff training, education and/or overall areas of program improvement. It is also an opportunity for the agency staff to immediately address the findings and/or provide additional pertinent information that may impact the final report.

### **Compliance Report**

A report of the Compliance-Monitoring visit will be completed and submitted to the agency's Executive Director within 30 days after the visit, and a copy will be forwarded to the Weatherization Manager. In cases of non-compliance, agencies will have forty five days to correct findings and notify DHCD of the corrections.

### **Concerns and Recommendations**

The monitor may choose to make recommendations in lieu of official findings to address concerns (minor deficiencies) that, if left unaddressed, may result in a finding of Non-Compliance in a subsequent monitoring visit.

## DHCD WAP FIELD MONITORING AGENCY OVERVIEW

### **AGENCY/PROGRAM INFORMATION**

Monitor: \_\_\_\_\_ -  
\_\_\_\_\_

WAP Subgrantee Agency Name:

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Executive Director: \_\_\_\_\_ Contract Period:  
\_\_\_\_\_

WAP Coordinator: \_\_\_\_\_ Fiscal Officer:  
\_\_\_\_\_

### **A. CLIENT INFORMATION :Client File Checklist attached**

1. Who conducts client intake? \_\_\_\_\_
2. Who determines client eligibility? \_\_\_\_\_
3. Does the Agency maintain a policy to prevent discrimination in the client selection process?(Y/N) \_\_\_\_\_  
\_\_\_\_\_
4. How is the income of each household verified and documented? \_\_\_\_\_
5. How does the Agency prioritize client selection for services? \_\_\_\_\_
6. Does the Agency maintain a waiting list?  
(Y/N) \_\_\_\_\_

If yes, what is the current length of time an eligible applicant must wait? \_\_\_\_\_

7. What is the agency's process for informing clients of any hazardous materials to be used on the client's home and determining if any member of the client's household has any medical conditions requiring specific precautions during the weatherization work? \_\_\_\_\_  
\_\_\_\_\_
8. What is the agency's process for informing clients of any hazardous materials found in their home (lead, asbestos, etc.)? \_\_\_\_\_  
\_\_\_\_\_
9. How is the landlord informed of his/her obligations for work in rental units? \_\_\_\_\_
10. How does the Agency ensure that rental property is not unduly or excessively enhanced? \_\_\_\_\_  
\_\_\_\_\_
11. Describe the Agency's appeal policy/procedure.  
\_\_\_\_\_
12. Are all appeals handled according to the Agency's policy/procedure? (Y/N)
13. What percentage of the files reviewed are in compliance with DHCD requirements? \_\_\_\_\_.
14. Is the income documentation for any of the client files reviewed older than 6 months prior to the date work started on the unit?    Yes        No        N/A

## B. CLIENT EDUCATION

1. Does the agency have a written procedure for client education? If yes, review.  

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2. Does the agency provide the client any educational material? If yes, what type(s)?

3. Of, the clients interviewed. Did they acknowledge receipt of the education materials? If no, state reasons. Yes \_\_\_\_ No \_\_\_\_

## C. ON-SITE INSPECTION

**ATTACH COPIES OF THE INDIVIDUAL INSPECTION CHECKLIST FOR EACH SITE VISITED**

- |   | Yes  | No   | N/A  |
|---|------|------|------|
| 1. Have applicable WAP priorities been addressed? (10 CFR 410.21 and Installation Standards)  | ____ | ____ | ____ |
| 2. On average, are the clients satisfied with the weatherization Service?   | ____ | ____ | ____ |
| 3. Number of jobs monitored that clients have stated a savings?   |      |      |      |
| 4. Example of highest fuel savings.   |      |      |      |
| 5. Does the assessment (audit) form contain all the required information?   | ____ | ____ | ____ |
| 6. Do material amounts listed on the Job Report equal the amounts listed on the inventory removal / sign-out sheets? (10 CFR 600.420) |      |      |      |
| 7. List all energy related repairs that were completed.   |      |      |      |

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**D. LEAD POLICY COMPLIANCE**

1. Did the agency have a process to identify properties which may contain a lead hazard?

If written, please obtain a copy of the written process for the final report.

Yes \_\_\_ No \_\_\_

2. Has each crewperson completed a Lead Safe Work Practices course? Yes \_\_\_ No \_\_\_

3. Were unexpired copies of LSWP training certificates present in each crewpersons employee file? Yes \_\_\_ No \_\_\_.

4. Was a HEPA VAC present or available for each crew? Yes \_\_\_ No \_\_\_

**E. INVENTORY**

1. Describe the process for tracking and accounting for inventory. \_\_\_\_\_

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2. Does the inventory system make it possible to track materials used on an individual home back to the point of purchase?  
(Y/N)\_\_\_\_\_

**F. ASSETS**

LIST OF ALL VEHICLES AND EQUIPMENT USED FOR WEATERIZATION



1. Do all vehicles have current inspection sticker, proper registration, and tax decals, copies of Material Safety Data Sheets (MSDS), a first aid kit, fire extinguisher, HEPA vacuum, rolls polyethylene, Personal Protective Equipment and mileage logs? (Y/N)

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2. For all equipment requiring routine maintenance, service and calibration are the records up to date? (Y/N)

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## G. Summary

The letters used on the chart below represent the following:

S = Strength

RI = Recommended Improvements

CAR = Corrective Action Required

N/A = Not Applicable

T/TA = Training and Technical Assistance

Staff = Persons who received T/TA

AREA REVIEWED	S	RI	CAR	N/A	T/TA	STAFF	COMMENTS
Client Files							
Client Education							
Outreach/Service Delivery							
Quality of Work							
Materials Standards							
Client Satisfaction							

Addressing Installation Standards							
Knowledge of Staff							

**EXIT CONFERENCE:**

**DHCD Monitor Signature:**\_\_\_\_\_

**Executive Director Signature:**\_\_\_\_\_

**Weatherization Manager Signature:**\_\_\_\_\_

**Financial/Administrative Monitoring Questionnaire**

**Agency:** \_\_\_\_\_

**Date of Review:** \_\_\_\_\_ **Reviewer:** \_\_\_\_\_

**Agency Staff Participating:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**A. Procurement**

1. Does the Agency have written procurement procedures that detail how procurements will be made? (Y/N)
  - a. If no, when will they have one?
  - b. Does the Agency's procurement procedure include the following components?
    1. Solicitation of bids/proposals (Y/N)
    2. Bid/proposal acceptance and analysis (Y/N)
    3. Selection of vendor/subcontractor (Y/N)
    4. Protest procedures (Y/N)
    5. Records management (Y/N)
    6. Subcontractor management (Y/N)
    7. Subcontractor closeout (Y/N)
2. Does the Agency contract for any outside services that are paid from program funds. (Y/N)
  - a. Do the procurement procedures comply with the "Buy American Act" Requirements?
  - b. Does the procurement process provide a clear method for determining the use and selection of contractors?

- c. How does the Agency ensure that free and open competition exists during the bid process?
- d. Does the Agency follow its stated Procurement Policy when contracting for weatherization-related services? (Y/N)
- e. Does the Agency encourage the participation of small businesses, including those owned by minorities and women? (Y/N)
- f. Do the procurement procedures provide cost controls to avoid unnecessary or duplicative purchases? (Y/N)
- g. Does the procurement process specifically address equipment purchase procedures? (Y/N)
- h. Do the procurement procedures analyze lease versus purchase alternatives? (Y/N)
- i. Does the procurement process provide transparency in reporting what was purchased? (Y/N)
- j. How does the Agency ensure contractor compliance with their contract?
- k. What problems have been encountered with contractors during the current program year?
- l. When is the contractor paid?
- m. Is the work inspected before payments are made? (Y/N)

**Notes for Procurement:**

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1.	Does the Agency have a financial procedures manual? If yes, complete Attachment A	(Y/N)
2.	Does the Agency minimize cash on hand? If no, how much excess cash on hand does the agency have?	(Y/N)
3.	Does the Agency have the following insurance policies:	
a.	Work Liability Insurance Policy (\$500,000)	(Y/N)
b.	Vehicle Insurance Policy with \$250,000 e/person for bodily injury; Liability and \$100,000 each occurrence for property damage Liability	(Y/N)
c.	Pollution Occurrence Insurance	(Y/N)
d.	Worker's Compensation Insurance	(Y/N)
4.	Does the Agency employ any person who is a member of their immediate family or is a member of the local Governing Board?	(Y/N)
	<b>Organizational Chart Received and Reviewed</b>	(Y/N)
	<b>Board Members Lists Received and Reviewed</b>	(Y/N)
5.	Does the Agency have a Cost Allocation Plan?	(Y/N)
	Observed?	(Y/N)

**Chapter 10 – Monitoring**  
**2010 WAP Operations Manual**

1. Are duties segregated among employees to prevent one person from having complete control over all phases of a transaction? (Y/N)
2. Are there adequate controls to ensure the security of blank checks, signature plates and inventory (Y/N)
  - a. If yes, please identify the location and security arrangements:
3. Is there a control to ensure that all goods and services have been received prior to payment? (Y/N)
4. Is there segregation between the individuals who prepare the check and mail the checks? (Y/N)

Who prepares the checks? \_\_\_\_\_

Who mails the checks? \_\_\_\_\_

3. List persons responsible for the following tasks:

**Revenue**

- a. Who opens mail? \_\_\_\_\_
- b. Is there a logbook for cash/checks received? (Y/N)
- c. Who maintains the logbook: \_\_\_\_\_ Observed? (Y/N)
- d. Who deposits American Recovery Reinvestment Funds (AR contract #), DOE, and LIHEAP funds? \_\_\_\_\_
- e. Who reconciles checkbooks w/bank statements? \_\_\_\_\_
- f. Who posts cash receipts? \_\_\_\_\_
- g. Who approves payments? \_\_\_\_\_

**Expenditures**

- a. Do checks require two signatures? (Y/N)  
Whose?

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

- b. Who is responsible for posting expenditures?

Name \_\_\_\_\_ Title \_\_\_\_\_

- c. Is signing of blank checks prohibited? (Y/N)

- d. Do signers of checks examine supporting documents or invoices before signature to ensure that costs are allowable and allocable to the proper funding source? (Y/N)

4. List the individuals handling grant funds and the amount for which each is bonded if applicable.

Names \_\_\_\_\_ Amount \_\_\_\_\_

Names \_\_\_\_\_ Amount \_\_\_\_\_

5. Can deposit of American Recovery Reinvestment Funds (AR contract #), DOE and LIHEAP funds be verified? (Y/N)
6. Are American Recovery Reinvestment Funds (AR contract #), DOE, and LIHEAP funds held in a non-interest bearing checking account? (Y/N)
7. Is the accounting system supported by a general ledger, cash receipts journal, cash disbursement journal, a general journal, and a fixed assets ledger? (Y/N)
8. Are the accounting records posted and reconciled on a routine basis to permit comparison of the project budget against actual expenditures? (Y/N)
9. Is a double entry bookkeeping system in use? (Y/N)
10. Are journal entries properly authorized? (Y/N)
11. Are monthly and quarterly financial reports prepared in a format that would highlight abnormalities? (Y/N)
12. Is there a segregation of funds between funding sources? (Y/N)

- |     |   |           |       |
|-----|---|-----------|-------|
| 13. | Does the Agency maintain a complete and current Chart of Accounts?<br>(Y/N)   | Observed? | (Y/N) |
| 14. | Is there a system that establishes a clear audit trail?   |           | (Y/N) |
| 15. | Does the accounting system adequately document each financial transaction that is attributable to the program activities? |           | (Y/N) |
| 16. | Are the program contracts and contract amendments available on the project files?   |           | (Y/N) |
| 17. | How long are records retained? _____  |           |       |

**Notes for Internal Control:**

[illegible]



**C. Inventory/Assets**

- i. Describe the process for tracking and accounting for inventory and assets.
- a. Does the Agency have a starting and ending materials inventory for American Recovery Reinvestment funds (AR contract #)? (Y/N)
- b. Have inventories been physically counted? (Y/N)  
If no, why not:
- c. Has a physical inventory of equipment been taken and the results reconciled with the property records within the last two years? (Y/N)
2. Does the inventory system make it possible to track materials used on an individual home back to the point of purchase? (Y/N)
3. Does the Agency have written procedures covering inventory, maintenance, and disposition of vehicles/equipment? (Y/N)
4. Does the Agency have a master inventory of all vehicles and equipment (in excess of \$5,000) that has been purchased with American Recovery Reinvestment Funds (AR contract #), DOE, and LIHEAP funds?
5. Are all vehicles/equipment purchased with grant funds used only for this program (i.e. fulltime use)?  
For each vehicle purchased, note the following:

Who is Using the Vehicle?	How is it Being Used?

6. If vehicles/equipment purchased with grant funds are going to be used for non-program purposes (i.e. part time use), it should be clearly documented what the other programs are and what portion of the cost is from weatherization funds. Is this the case? If so, has appropriate approval been received from DHCD?
  
7. For equipment/vehicle purchases:
  - a. Is there adequate source documentation on file to support the purchase of the vehicles/equipment including DOE approval? (Y/N)
  - b. Are the charges adequately documented in the accounting system and charged to the correct source of funds? (Y/N)
  - c. Are records being maintained of vehicle problems and repaired? (Y/N)
  - d. Are mileage logs being maintained for these vehicles? (Y/N)
  - e. If vehicles are being used for other programs, has program income been returned to the purchasing program? (Y/N)
  - Observed? (Y/N)
  - f. Is there adequate documentation in the files to support the disposal of vehicles purchased with these funds? (Y/N)
  
8. Are the vehicles/equipment/tools currently being used appropriate and adequate for the job to ensure cost-effective delivery of services? (Y/N)

**Notes for Inventory/Assets:**

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**D. Davis Bacon Requirements**

1. Is the Agency aware of which Davis Bacon labor and wage requirements apply to their activities? (Y/N)
2. Is the Agency complying with labor and wage requirements (i.e. fair labor laws, Davis-Bacon prevailing wage laws, etc.)? (Y/N)
3. Has the Agency submitted weekly payrolls? (Y/N)

**Notes for Davis Bacon:**

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**D. Payables**

1. Have all payable been reflected? (Y/N)  
If no, when will they be adjusted?
2. Have all significant accruals, such as payroll taxes, annual leave, and provisions for pension been reflected? (Y/N)  
If no, what is the agency's policy?

**E. Expenses**

1. Are purchases and expenses recognized in the appropriate period? (Y/N)  
If no, explain:
2. Are purchases and expenses classified properly? (Y/N)  
If no, list improperly classified expenditures:

3. Are all expenditures supported by source documentation? (Y/N)  
**Complete Attachment B to support Review of Expenditures**  
If no, list:

4. Do the financial statements accurately reflect the purchases and expenses? (Y/N)

5. When was the last financial audit conducted? \_\_\_\_\_  
a. Was a copy submitted to DHCD? (Y/N)

6. When will the next financial audit be conducted? \_\_\_\_\_

**Notes for Expenses:**

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**D. Client Information**

1. Does the agency maintain a separate file for each applicant that has been determined eligible or ineligible that is dated and signed by the outreach worker or supervisor? (Y/N)

- a. Is this updated if more than 6 months have elapsed between the initial determination and the first day of material installation on approved applicant's residence? (Y/N)

2. Who conducts client intake? \_\_\_\_\_

3. Who determines client eligibility? \_\_\_\_\_

4. Does the Agency maintain a policy to prevent discrimination in the client selection process? (Y/N)

5. How is the income of each household verified and documented? \_\_\_\_\_

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6. Does the client file contain documentation that the owner/tenant has permission to enter the property and perform weatherization services including the applicable hold harmless clauses? (Y/N)
7. Does the agency follow its DHCD-approved selection procedures for prioritizing services? (Y/N)
8. Does the Agency maintain a waiting list? (Y/N)  
If yes, what is the current length of time an eligible applicant must wait?
9. Who is responsible for informing clients of any hazardous materials to be used on the client's home and determining if any member of the client's household has any medical conditions requiring specific precautions during the weatherization work?  
\_\_\_\_\_
10. Who is responsible for informing clients of any hazardous materials found in their home (lead, asbestos, etc.)? \_\_\_\_\_
11. How is the landlord informed of his/her obligations for work in rental units?
12. How does the Agency ensure that rental property is not unduly or excessively enhanced?
13. Describe the Agency's appeal policy/procedure.
14. Are all appeals handled according to the Agency's policy/procedure? (Y/N)

**Notes for Client Information:**

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## ATTACHMENT A

### FINANCIAL POLICIES AND PROCEDURES SELF ASSESSMENT TOOL

**Is there a policy and/or procedure that address each of the following?**

General	Yes	No	Comments
1. Responsibility for authorization of financial policies and procedures.			
2. Responsibility for financial management.			
3. Separate financial duties and responsibilities so that no one employee has sole control over cash receipts; disbursements; payroll; or reconciliation of bank accounts.			
4. Employee dishonesty coverage.			
5. Review of Financial Policies and Procedures.			
Cash			
1. Opening of mail.			
2. Endorsement of checks.			
3. Report of cash receipts and documentation of receipts.			
Cash Disbursements			
1. Authorization of expenditures.			
2. Review of invoices.			
3. Approval of invoices for payment.			
4. Maintenance of checks.			
5. Maintenance of voided checks.			
6. Preparation of checks.			
7. Signing of checks.			

Bank Reconciliation	Yes	No	Comments
1. Individual designated to receive and open bank statements.			
2. Individual designated to reconcile the bank statement.			
3. Individual designated to review the bank reconciliations.			
4. Policy on appropriate action for checks outstanding over 90 days.			
Purchasing			
1. Procedures for small purchases.			
2. Procedures for large purchases.			
3. Prior approval of purchases.			
Payroll			
1. Requirement that all hourly staff complete a time sheet.			
2. Individual(s) designated to approve time sheets.			
3. Individual designated to review paychecks or direct deposits prior to distribution.			
4. Individual designated to distribute paychecks.			
5. Policy for payment of individuals that have resigned or been terminated.			
6. Individual designated to prepare and transmit the payroll tax reports.			
7. Individual designated to review tax deposits.			